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No. 168

Ontario LEGISLATIVE ASSEMBLY

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Thursday, December 9, 1982

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Thursday, December 9, 1982

The House met at 2 p.m.

Prayers.

MEMBERS' PRIVILEGES

Mr. Riddell: Mr. Speaker, on a point of order: If you have had an opportunity to review the point of order I raised in the House the other day after an exchange I had with the member for Welland-Thorold (Mr. Swart), you would know that I am concerned, as I am sure you are, about the types of statements that are made in this House and about the integrity of the House and the credibility of its members.

I thought we had the matter sorted out until I learned that the member for Welland-Thorold had made this statement, as reported in the press: "Swart said Riddell and the Liberals advocate high interest rates generally, and he has never said specifically that he doesn't advocate them for farmers."

The member has continually and persistently provided wrong information about anything I have said, but now he is also falsifying statements that my colleagues have made in this House. My colleagues have at no time said that they advocate high interest rates, and I know they would want me to correct the record.

Second, in an exchange I had with the Minister of Community and Social Services (Mr. Drea) the other day, the minister said, and I quote out of Hansard—

Mr. Speaker: Order, please. I will have to draw the honourable member's attention to the fact that he is not making a point of order.

An hon. member: Yes, he is.

Mr. Speaker: With all respect, he is not. I think, having regard for the first point you raised, you were asking me to make a judgement on the veracity of statements made by another member, and it is obviously beyond my responsibility and jurisdiction to do so.

I would just point out to all honourable members that because we regard each other as honourable members we, in fact, assume that the statements made in this House are truthful. If they are not, then you have recourse outside this House to correct that.

Mr. Nixon: Mr. Speaker, on a point of order: I

would submit to you, with respect, that there should be recourse in the House as well as outside the House. If you are referring to a challenge on a personal basis, that they settle it with fisticuffs or something, then of course that is absurd. If you are referring to the honourable member going outside the House and getting a reporter by the lapels and saying, "You must print that what the member for Welland-Thorold is saying is incorrect," we really do not have the right to do that. But we do have rights in this House, which you are sworn to protect.

If you will just permit me one moment, in this instance the member for Welland-Thorold has persisted in misrepresenting the position of the Liberal Party. My colleague, the honourable member who raised the point in the first instance, was forced to withdraw his own comments. But surely if, on the basis of your original ruling, you are going to permit misrepresentation to continue, then we must object.

Mr. Speaker: If I may reply to that, first of all I have no way of knowing the facts of the case as they are presented, and I would point out quite clearly that it is against all the standing orders to accuse another member of lying.

Mr. Swart: Mr. Speaker, on a point of order and then a point of privilege: My point of order is that, fortunately, we have Hansard, and a perusal of the statements that were made will show that I did not falsify anything. The statement I made about the Liberals wanting high interest rates and not excluding the farmers is accurate.

Mr. Speaker: Order, please.

Mr. Swart: My point of privilege—

Mr. Speaker: No. Your privileges have not been abused. I will have to ask the honourable member to resume his seat, please.

Mr. Riddell: Mr. Speaker, am I allowed to make a correction of statements that were made?

Mr. Speaker: You may correct the record, yes.

Mr. Riddell: Mr. Speaker, in the exchange that I had with the minister—

Mr. Speaker: I would just point out that you

may correct your own record; you cannot correct a statement made by anybody else.

Mr. Riddell: I suppose it is a correction on both our parts. I just do not know how else to do this. Statements made in this House that are completely erroneous have been reported province-wide.

Mr. Speaker: As I said, I do not have any responsibility for that. I do not know the facts of the case, and in spite of what the member for Brant-Oxford-Norfolk (Mr. Nixon) may feel about it, there is nothing in the standing orders to give me that authority. The only recourse you have is to answer it during the course of debate.

Mr. Swart: Mr. Speaker, on a separate point of privilege: The name of my riding is pronounced "Welland-Thorold."

STATEMENTS BY THE MINISTRY

JOB CREATION

Hon. Mr. Wiseman: Mr. Speaker, the creation of jobs in this province is the single most important thing on the minds of members of this Legislature, and so it should be. I would like to take this opportunity to share with the House a program undertaken by my ministry that will create 340 additional winter works jobs throughout the province.

Under the auspices of the recent job creation program announced by the Treasurer (Mr. F. S. Miller), the Ministry of Government Services will spend \$2.5 million in new and accelerated projects from mid-December to the end of March. Economic stimulation through this program will assist many of our fellow Canadians suffering through this most difficult time of high unemployment. These short-term jobs will be seen in our farming communities and they will assist the mining and natural resources areas of the north. The industrial centres of Ontario will not be forgotten either.

The alterations we will be making are much needed. The new projects being undertaken are a must if government is to function and to serve the people of Ontario in a responsive manner. The repairs to government facilities will save further costs to the taxpayers. There is no charity here, just need; the need of the government and the need of the people it serves.

This program is in addition to the \$7.9-million initiative I had the pleasure of announcing earlier this fall. More than 1,000 short-term job opportunities were created through this program and, most important, they were created in the private sector. I sincerely hope this added

effort by my ministry will contribute a little further to that goal.

2:10 p.m.

Mr. Speaker: I would ask the co-operation of all members to please limit their private conversations. If they must carry on private conversations, would they please do so outside the chamber.

LETTERS FROM PETITIONERS

Mr. Riddell: Mr. Speaker, I rise on a point of order to correct the record: On November 29, when I presented a petition containing over 6,000 names to the Premier (Mr. Davis) and also to the Minister of Community and Social Services (Mr. Drea), I stated, and I quote from Hansard: "I have 735 handwritten letters marked personal and confidential. I was asked in Goderich on Saturday if I would personally see that the Minister of Community and Social Services and the Premier received these letters, so I am going to send them over to them."

I sent letters to the Minister of Community and Social Services, the Premier, the leader of the third party and the leader of the official opposition. The Minister of Community and Social Services has gone province-wide in the press stating that I said I was sending 735 letters to him. He knows that is not right. Unfortunately, he has made that statement, and it has been picked up by the press. I think he should withdraw.

Hon. Mr. Drea: Mr. Speaker, to correct the record, the member sent me letters. He sent me 237 letters, of which 171 were written by one person. Only 66 were written by other than that one person, and one of the 66 wrote all the rest.

Mr. Riddell: What does that prove? Are you not aware that some people in society cannot write, but they can sign their name?

Hon. Mr. Drea: Mr. Speaker, these letters were written by one person.

Mr. Speaker: Order. Order. Obviously the member for Huron-Middlesex is out of order.

CRIME PREVENTION

Hon. Mr. Sterling: Mr. Speaker, today I would like to bring to the attention of members the positive contributions that many Ontario communities are making to the challenge of crime prevention.

In this regard, I would like to announce that I have begun to work with interested communities across this province to prepare for a Community Justice Week during the week of April

17, 1983. That will be a time to focus on local crime prevention concerns, citizen involvement and pride in our democratic heritage. Local initiatives in the fight against crime are especially welcome at a time when we are all faced with mounting fiscal pressures.

Mr. Speaker: Order, please. I have asked the co-operation of all honourable members in not carrying on private conversations. Now I am directing them not to. The member for Welland-Thorold (Mr. Swart) will please resume his seat. Would the chief government whip resume his seat please?

Mr. Roy: We want to hear this important announcement. Tell us how important your job is.

Mr. Speaker: If the member for Ottawa East (Mr. Roy) will be quiet, we will now listen to the Provincial Secretary for Justice.

Hon. Mr. Sterling: Thank you so much, Mr. Speaker, for your kind consideration.

Local initiatives in the fight against crime are especially welcome at this time. The traditional partners in our justice system—our police, our courts and our correctional services—must address these concerns while at the same time maintaining the high level of service they provide.

I believe, therefore, that now more than ever before we must encourage Ontarians to become involved in crime prevention programs. I am pleased to report we have made significant strides towards this goal.

Recently, the Justice secretariat, the Insurance Bureau of Canada and the Community Crime Prevention Network (Canada) cosponsored a unique and highly successful workshop on crime prevention at Niagara-on-the-Lake. This event underscored the enthusiasm, energy and expertise that communities across this province have devoted in addressing local crime. It was clear that these communities are willing and eager to share their experiences, their programs and resources with others. I have been most impressed with their sense of responsibility.

As a follow-up to the Niagara workshop, I met with the representatives from the various sectors to explore the possibility of involving more communities interested in the Community Justice Week concept this coming April.

I believe that Community Justice Week will provide an excellent opportunity for local justice officials to work together with business leaders, schools, social agencies and the media to focus public attention on how our justice

system works. This week will examine the citizens' rights, roles and responsibilities under the law. It will provide a forum for communities to share common concerns about particular problems and preventive measures.

Communities such as Belleville, Kitchener-Waterloo, Brampton, Chatham and Brantford have already expressed an interest in participating in the justice week concept.

A working group comprising a cross-section of individuals involved in justice education has been formed to provide program support to communities interested in sponsoring these activities this spring. They will also provide advice and assistance in planning for a province-wide Ontario Justice Week in 1984.

I believe this will add a special dimension to our bicentennial celebrations. It will provide all citizens with a chance to rekindle a sense of pride in our tradition of law and democracy. It will also be an opportunity for our communities to strengthen their commitment to build safe, harmonious neighbourhoods and to protect the quality of life in our province.

The group will begin immediately to identify a range of activities that can be included in Community Justice Week. Activities which heighten public awareness of our justice system will be stressed and communities will be encouraged to develop and design their own justice week programs. They will also be encouraged to take advantage of the natural tie-in with related events such as the 1983 Law Day sponsored by the Canadian Bar Association.

The central theme for Community Justice Week is the idea that justice is a community responsibility. I present this challenge to all community leaders, a challenge to get involved in developing the justice week concept to meet local needs, to stimulate public awareness of civic responsibilities and to encourage citizen co-operation in contributing to a strong and effective justice system in our province.

Mr. Speaker: The Minister of the Environment.

Mr. Nixon: Here it comes.

Hon. Mr. Norton: The member should just sit calmly and hold himself in his seat.

Interjections.

Mr. Speaker: Order, please.

Mr. Roy: Put my name on the list.

2:40 p.m.

Hon. Mr. Norton: Mr. Speaker, I specifically chose today to make this announcement on the one day of the week the member for Ottawa

East (Mr. Roy) is here so that he could listen. I do hope he will give appropriate attention.

Mr. Roy: On a point of privilege, Mr. Speaker: I was here on Tuesday and I saw the minister that evening making a fool of himself. Does he remember that?

Mr. Speaker: That is hardly a point of privilege. I am sure that was not in the minister's statement.

Interruption.

Mr. Speaker: Order, please. I must warn our visitors not to partake or to demonstrate in any of the proceedings here. If they do not resume their seats immediately they will have to leave.

Clear the galleries, please. All right, sergeant. We will not countenance any further demonstration.

Interjections.

Hon. Mr. Ramsay: It will be done before Christmas. I said it would be before Christmas. The member is an absolute ass. I have said it will be done before Christmas. What more do you want?

Mr. McClellan: Bring it in today. That is what we want.

Mr. Mackenzie: The bill instead of just talking.

Hon. Mr. Ramsay: The bill is ready to be introduced.

Mr. Speaker: Order.

Hon. Mr. Ramsay: On a point of order, Mr. Speaker—

Mr. Speaker: Surely if we are going to respect the rights of others, first of all, we have to start by respecting the rights of people in this chamber.

Interjections.

Mr. Speaker: Order. The Minister of the Environment.

POLLUTION CONTROL

Hon. Mr. Norton: Perhaps, Mr. Speaker, I can now make some progress in giving my report to the honourable members of the Legislature on my ministry's continuing efforts to control pollution and to reduce public concern and discomfort in Toronto's Junction triangle area.

We identified six industries in the area with a potential for noxious air emissions or spills to sewers. The operations of these five companies have been reviewed in detail, and we have established the extent and nature of pollution controls required for each of these plants.

Two companies, Canadian General Electric

and Viceroy, have completed the major required pollution control measures and will complete the installation of further control work by the end of this year. A third, Anchor Cap and Closure Corp., has complied with a decision of the Environmental Appeal Board requiring the construction of two tall stacks. Emission testing of these stacks is now under way.

Inmont Canada and Nacan Products Ltd. have met several of my ministry's requirements and have submitted voluntary programs for the completion of our remaining requirements by the end of 1983. Their readiness to undertake comprehensive pollution control measures has made it unnecessary for these companies to be placed under formal control orders. However, my central region director is preparing program approvals to formalize the cleanup programs.

My staff's in-depth study of the Glidden Co. operation indicates that a ministry control order is appropriate for this plant. A provincial officer's report has been completed, and staff is preparing a draft control order.

Details of this control order will be available for public review today in the form of a notice of intent to issue a control order along with the draft program approvals for Inmont Canada and Nacan Products. A public information meeting will be held in the community in the near future to review these three documents.

While the possibility of spills to the Toronto sewer system in the area has been a matter of much public concern, our experience and investigations have shown that airborne odour emissions are the main problem in the area. Since April 1982 no complaints in the area have been traced to odours from sewer discharges. The number of complaints in the area has declined steadily since July, when 53 complaints were recorded, to totals in September and October of nine and five respectively. We are continuing to provide 24-hour-a-day response to pollution complaints in that area.

The pattern of development in the Junction triangle over the decades has created very real problems in compatible land uses. Adjacent industry and residential development require stringent pollution controls and continuing vigilance to ensure a satisfactory environment for the residents.

I believe the measures we are taking in the Junction triangle will achieve the best results for the very difficult environmental problems in that area. On the basis of our experience here and in similar communities across the province we are drafting amendments to legislation to

permit quicker and better abatement response and closer surveillance of industries with potential problems.

ORAL QUESTIONS

MORTGAGE PRACTICES

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations. It concerns a property at 49 Yonge Street in Toronto. If I may, I will run briefly through the chronology with the honourable minister.

In 1978, the property was acquired by a numbered company owned by one Brian Ferrier for \$600,000 in cash. A mortgage loan was advanced in the face amount of \$650,000 by Greymac Credit. There followed a series of mortgage loans from Greymac Mortgage Corp. to Mr. Ferrier's company, supposedly for renovations.

One of those loans, in January 1980, was a mortgage loan for a face amount of \$1.3 million from Greymac Credit. Connected with this disbursement was a finder's fee of some \$500,000 payable to one of the Greymac companies. We cannot determine at this time what portion of the other mortgages advanced included a finder's fee component.

In April 1981, Mr. Ferrier sold the property to Greymac Properties Inc., a wholly owned subsidiary of Greymac Mortgage, for \$4.15 million. That same day, \$3.9 million circulated from Greymac Properties to Greymac's lawyer to Ferrier's lawyer and back to Greymac Mortgage. The \$3.9 million was the amount that Greymac Mortgage said was owing to it by Ferrier's company on the basis of the various mortgages advanced.

In short, what we have here is a property that sold in 1978 for some \$600,000; which had a succession of mortgages advanced, one of which, at least, has a substantial finder's fee component; a property that sold some three years later for \$4.15 million, almost all of the money going from a subsidiary to its parent, Greymac Mortgage.

My question to the minister is this: Has he or any of his agencies investigated the deal? Has he satisfied himself as to the purchase price, particularly in the light of the mortgages advanced, which show, at least in one case, a very high finder's fee?

Hon. Mr. Elgie: Mr. Speaker, this question raises the kind of point that I think we are going to have to get at as we proceed with the

examination of a variety of companies that the Leader of the Opposition well knows.

Let us acknowledge one thing, the Liberal caucus has retained a very capable investigator in Mr. John Whitelaw—I do not think there is anyone around who will not acknowledge that—and he will from time to time, because of his expertise in this area, come across transactions that will allow the member to stand up in this House and ask me specifics about deals scattered throughout the province or within the city that he knows full well I will not have information on here at my fingertips.

He also knows full well that the scope of the examination being carried out under section 152 into the general conduct of the businesses will inquire into a variety of transactions.

2:30 p.m.

I thank him for advising me of this one, but he knows full well I have no further comment to make upon the nature of the particular matters referred to. Now that he has been good enough to advise us of yet another deal, perhaps he would be prepared to do it on a regular basis, in some other way or whatever way he wishes. I have no intention of carrying into this room a vast array of documents that may or may not be provided to me from time to time.

Mr. Peterson: I should remind the honourable minister that this is not an obscure deal. This is the head office of Greymac Trust Co. we are talking about. The other point I should make is that we have a team of very competent researchers working on this matter and he may want to take a lead from them because they are a way ahead of his own research on this matter. We are only trying to help.

His response has been that now Mr. Morrison will look into this matter under the section 152 inquiry. Will the minister please tell us what the terms of reference and the scope of that inquiry are? It appears, from this morning's press at least, that Mr. Morrison is no more forthcoming than the minister is about what he is looking into.

Hon. Mr. Elgie: I have outlined the terms of reference of Mr. Morrison and the Touche Ross firm in detail before this House and I have answered questions on it. I do not propose to comment more than I already have to indicate that the final portion of their term of reference is in line with section 152, which is to inquire generally into the conduct of business.

Mr. Rae: Mr. Speaker, I think we have had two different kinds of answers in a sense. Do we

take it from the minister's answer today that Mr. Morrison's investigation is limited to the particular transaction surrounding the Cadillac Fairview acquisition, or is it an extensive investigation of the activities of all the trust companies involved? Can he tell us which of those two things it is, because I am still not clear as to what the answer is?

Hon. Mr. Elgie: Mr. Speaker, I regret the member is not clear. If he looks back through Hansard, I suspect he will see that my answers have been clear. I have clearly stated that Mr. Morrison's initial endeavours will, quite naturally, be focused on the Cadillac Fairview transaction, but the terms of reference under which he is operating under section 152 allow him to inquire generally into the conduct of the business. That is the same answer the member has been given for many days now and it is time he did some reading.

Mr. Peterson: I would respectfully submit that under questioning the honourable minister has widened the terms of that inquiry almost every day to encompass the various new transactions that come along as he becomes aware of them.

Would substantial pressure not be taken off the minister and would he not feel obliged to come to this House with the formal terms of reference of that inquiry so that we will all know what he is looking into? There are many more aspects to this deal that he has yet to determine on his own. We are prepared to help. As he knows, Mr. Whitelaw and my very competent research team is assisting the minister every day but his problem is it is making him look foolish. Why does he not table those terms of reference now? Then we will all know what we are looking at and we can help and give him any information we can.

Hon. Mr. Elgie: I hate to look a gift horse in the mouth. We value the daily calls from his researchers to our offices and I extend my thanks for those calls. It certainly is illuminating having them call to ask about details of certain transactions. I mean it quite sincerely; his party does have very capable staff and I wish them well in their endeavours. I assume they are aiming at the same thing we are, which is getting at the root of the events we are all concerned about and in the general conduct of the business of those companies. That is what the terms of reference are; that is what they are all about.

HYDRO CONTRACTS

Mr. Peterson: Mr. Speaker, I have a question

for the Minister of Energy. Would the minister care to confirm Financial Post reports of a letter from Ontario Hydro vice-president Arvo Niitenberg, which he is reported to have written to some two dozen US utilities? In it he offered to sell up to two million megawatt hours, or 2,000 gigawatt hours, of nuclear power from the mid-to late 1980s, which is, as the minister knows, before the Darlington plant is scheduled to come on stream.

Would the minister confirm that letter and attempted sale by Ontario Hydro? Would he not agree with me, if that is the case, that this raises a number of very disturbing questions about the planning and operation of Ontario Hydro?

The first question is, why would the minister need Darlington when he has this massive surplus he is now trying to peddle in the United States?

Hon. Mr. Welch: Mr. Speaker, there is no mystery about the fact that Ontario Hydro, through its organization, has been seeking export markets for our electricity. I have responded affirmatively every time that question is raised here or in committee. Ontario Hydro has announced the confirmation of sales in the last little while through press releases.

Mr. Sargent: Mr. Speaker, the fact is that their contract track record for nuclear plants now being built is they are now costing four times the original estimate. If Darlington was to have cost \$12 billion at the outset, what will be the cost of the project when it is finished? Would it be \$48 billion or what?

Hon. Mr. Welch: Mr. Speaker, I do not know whether this is particularly supplementary to the main question, but it would be difficult for me to speculate as to what the final figures may be with respect to a matter like that.

Mr. Sargent: Why do the damn thing?

Mr. Speaker: Order.

Mr. Foulds: Mr. Speaker, can the Minister of Energy tell us how much of Ontario Hydro's production is going to be committed to exports in a definitive sense? How much is that going to cost the ratepayers of Ontario and what kind of a response has Mr. Niitenberg had to his letters?

Hon. Mr. Welch: Mr. Speaker, working from the last question up, I am not aware of the final number of responses. Perhaps I should not even use the words "final number." I do not know where those responses are at the moment.

When the honourable member asks me questions with respect to what it would cost the

electrical customers of Ontario, I am sure he would appreciate that such sales generate revenue and would be a benefit to the electric customers of Ontario. Therefore, they would be a factor to reduce the bill because of the increase in revenues since we have this power for sale.

Mr. Peterson: Would the minister not agree this raises a number of very disturbing questions about the management of Ontario Hydro? What the minister has here is a tremendous overcapacity about which he is embarrassed. He is still proceeding with Darlington, which he does not need. Now he is in the process of trying to peddle that surplus power. Then he will use those contracts to justify the building of virtually a designated nuclear plant in order to sell that power to the United States.

Is that not a change in policy and rationalization the minister is now using that is a dramatic departure in Ontario Hydro policy?

Hon. Mr. Welch: I am sure the honourable member and all members of the House appreciate that after the fact is an excellent point of view from which to be analysing all these things. Hindsight is always the perfect point of view, knowing the lead time—

Mr. J. A. Reed: We gave you hindsight in 1976. Six years ago we saw the handwriting on the wall.

Hon. Mr. Welch: Knowing the lead time that is required in capital projects of this magnitude, people can only do the best they can with the facts and figures and the projections they have. The honourable member would be fair to point out that in so far as forecasting the future is concerned there are many factors over which we have no control. We have to do the best we can on the basis of the disciplines that are available.

One would look in terms of what is happening in other jurisdictions as well. One of our strengths happens to be that we are in a situation where we can deal with other jurisdictions. That has some benefit to this country with respect to balance of payments and employment.

As far as the long-term projections are concerned, I think I did take some time with the Leader of the Opposition the last time he raised some questions with respect to future planning. The fact is that Hydro will soon be faced with making some very important decisions with respect to the future use of some of its thermal capacity. Coming up for very serious review are plants that are 35 or 40 years old. Hydro must

decide whether or not to take this opportunity, with the environmental considerations and other factors, to review the future use of these facilities.

2:40 p.m.

I was at a meeting not too long ago with my colleagues in the resources development policy field, meeting with representatives of the Electrical and the Electronic Manufacturers Association of Canada. They felt we should be very proud of the position we are in with this capacity and that we should build on this particular strength. That is one of the reasons the implications of electricity have such a high profile in the BILD documents.

Mr. Sargent: Mr. Speaker, On a point of privilege: In view of the colossal importance of this question, in view of the fact the minister did not answer what I asked him, would you allow me to get this point across?

Mr. Speaker: The honourable member for Grey-Bruce—

Mr. Sargent: I asked him a question about Darlington and he would not answer my question.

Mr. Speaker: New question. The honourable member for York South.

Mr. Sargent: Let the record show that he would not answer a simple question yes or no. What is more important—

Mr. Speaker: I warned the honourable member to resume his seat. This will be the last time.

Mr. Sargent: Oh, you're such a dummy.

Mr. Speaker: I will ask the honourable member to withdraw that statement and apologize to the chair.

Mr. Sargent: Well, you know what I think but I will withdraw.

Mr. Speaker: I do not care what you think.

Mr. Sargent: Is it not an important subject we are talking about?

Mr. Speaker: I am waiting for the apology. Interjections.

Mr. Speaker: I am waiting for the apology.

An hon. member: He did apologize.

Mr. Speaker: He withdrew, he did not apologize.

Mr. Sargent: Can you tell me what is more important than a question like this? You play it down as being nothing. I withdraw—

Mr. Speaker: Order. I am waiting for the apology.

Mr. Sargent: I withdraw the statement.

Mr. Speaker: I heard that. I am waiting for the next part.

Mr. Sargent: I will not apologize. You are treating an important subject—

Mr. Speaker: Well then, I have no choice but to name the honourable member and ask him to withdraw.

Mr. Nixon: Mr. Speaker, surely—

Mr. Speaker: No.

Mr. Nixon: —before you take that extreme position—

Mr. Speaker: No.

Interjections.

Mr. Speaker: No.

Mr. Nixon: The honourable member has withdrawn his comments. While an apology may appear to be in order to you and someone else, I do not know what rule there is that requires an apology when a statement has been withdrawn and is so recorded.

Mr. Speaker: I just point out to the honourable member for Brant-Oxford-Norfolk, without getting into a debate, that he himself has been one of the very strong advocates of me imposing an apology as part—

Mr. Nixon: Withdrawal. Withdrawal.

Mr. Speaker: Now just a minute—and I want to point out to all honourable members that we hear a lot of discussion about the irrelevance of parliament and the abuses that are taking place. Any derogatory reference to the Speaker is a reference to parliament itself, and as the guardian of parliament I will not accept that. I must insist on the apology.

The honourable member has said he is not going to apologize.

Mr. Sargent: I will apologize if you will allow me to ask my question again.

Mr. Speaker: No. You are out of order.

Interjections.

Mr. Speaker: You are out of order. You are out of order. Resume your seat.

Now if you want to apologize I will accept it.

Mr. Sargent: I do not want to apologize. I mean every word of it.

Mr. Speaker: Well then, I have no choice but to ask the honourable member to withdraw from the chamber. Sergeant at Arms.

Mr. Sargent: It's a hell of a way to run a railroad, I'll tell you.

Mr. Speaker: I hope your constituents may take notice.

Mr. Sargent was escorted from the chamber by the Sergeant at Arms.

Mr. Speaker: The honourable member for York South. New question.

Ms. Copps: Mr. Speaker, on a point of order—

Mr. Speaker: There is no point of order. There is no point of order. The honourable member for York South with a new question.

ILLEGAL RENTS

Mr. Rae: Thank you, Mr. Speaker; I hope it will be worth the wait.

I would like to ask a question of the Minister of Consumer and Commercial Relations. It concerns a property at 91 Cosburn Avenue, which I am sure the minister knows is not a million and one miles away from the riding of York East. This building was acquired in 1978 by a company with the illustrious name of 364579. The president and treasurer of that company is an individual known as Phil Wynn.

I would ask the minister how he can account for the following facts: This building, since the time it was acquired by the company owned by Mr. Wynn in 1978, has never been to rent review, but a survey of the apartments in that building reveals that 39 of its 80 apartments were paying rents well in excess of the legal rent. The illegal amounts range up to \$274.08.

How can the minister account for the fact that in this building half the tenants are paying rents which are as much as \$274.08 above the legally permissible rent? What does he intend to do about it for these tenants?

Hon. Mr. Elgie: Mr. Speaker, I hope the member for York South is not deliberately trying to jeopardize what may well be a hearing before the commission by having the minister who is responsible for that commission make some comments. But it is my understanding that a mediator is now in place to endeavour to resolve those matters between the tenants and the landlords. Failing that, one would assume there will be a commission hearing.

The honourable member knows very well I cannot comment about the matter. However, I can say in general—not about this particular building but about other buildings—that the issue of illegal rents is seen by me as a pressing issue that will have to be dealt with.

Mr. Rae: The law has been broken here with flagrancy—I am sure the minister would agree with that. The pattern shows when tenants remained in the building the rent went up six per cent. As soon as a tenant leaves the building and new tenants come in, the rates go up 45 per cent,

30.2 per cent, 23.8 per cent, 47 per cent, in one year.

When the law is broken as flagrantly as it has been in this instance, why does the landlord not face any punishment whatsoever, apart from mediation and possibly having to return the money to those tenants who make an application before the Residential Tenancy Commission? Why is there not a fine for the landlord that would provide a real disincentive for this kind of conduct?

Hon. Mr. Elgie: Again I think it is ironic, because there are members here who have criticized the Attorney General (Mr. McMurtry) for having made some comments during the course of events. I would not want to accuse the leader of the third party, the member for York South, of endeavouring to get me to say something he knows I should not be saying.

If the honourable member has made the decision they are illegal rents, then that is his decision, but the final decision on that would have to rest in other hands. I am not prepared to comment on whether or not that is a decision one should reach on the basis of the facts we have. But speaking in a general way, with no reference to this case, I have no hesitation in saying that in situations where there are illegal rents being charged, those are issues that will have to be addressed with thoroughness.

Mr. Epp: Mr. Speaker, the minister is aware that when the general government committee was studying the Residential Tenancies Act, Bill 163, we discussed the problem of registries. He is aware that the committee, which had a number of government members on it, strongly recommended that a registry system be set up.

2:50 p.m.

He has given this new problem of investigating the possibility of a registry to Mr. Thom. Why does he have to wait for his report to bring in a registry when all he has to do is consult with his colleagues and bring it in as quickly as January 1, rather than prolong this thing for another year? Why does he not get his story together and do something for the residents of this province who are tenants?

Hon. Mr. Elgie: Mr. Speaker, it is nice to have the member join in once again. The last time he joined in was March 1981 when he thought the guidelines should go above six per cent for tenants out there.

Hon. Mr. Baetz: That is right, and so did their housing critic.

Hon. Mr. Elgie: So did his housing critic. Now he is speaking out again on behalf of tenants, but this time for tenants and not landlords. That is good.

The fact is he has not been listening to what has been going on in the Legislature. I have been asked that question several times. I have made it clear the Supreme Court cast down the portion of the bill that allowed enforcement under that section and we are exploring other alternatives. I would never argue with anybody that it was an issue we had to address.

Mr. Rae: I want to come back to the minister with respect to this question. I am not asking the minister to comment with regard to this case other than to ask him, does he not think the penalties provided for in the act at present are totally insufficient? That is a separate question from the one he is asking me to comment on and which he is saying he cannot comment on either.

I am asking him to come up with a judgement call. When tenants are being charged \$275 more than they should have been under rent review, does the minister really think it is any kind of penalty at all to require a landlord merely to pay back those tenants who are successful in finding out they are being overcharged? It is difficult for them to find out under the current rules and regulations of the commission, as the minister well knows. Why is he delaying what is really a simple matter, a basic question of political will on the part of this government and not a technical question at all?

Hon. Mr. Elgie: I am certainly relieved to know the particular building and the particular tenants' problems that were raised were not so the minister would be asked to speak to that particular building and those particular tenants' issues. I am delighted to clarify that. The member did not mean to mention that building and the fact it might be coming before a commission. That was not intended. That was accidental.

Mr. Rae: I meant I was not asking you to put your foot in your mouth.

Hon. Mr. Elgie: Was it accidental or did he intend me to comment?

An hon. member: The \$200 calendar.

Hon. Mr. Elgie: Has he got a calendar here today or not? "On the one hand I have a calendar and on the other hand I brought the building up but did not intend the minister to comment on that building, knowing that he would put himself in an awkward position if he

did." I understand that; but if I did not understand it I might have something else to say. With the respect I have for the member, I know he would not intend that. Anyway, I think he would not.

It will come as no surprise to him—as I said this about three weeks ago, if I recall correctly—that I felt that paying back the rent was not enough. I thought we would have to look at the question of fines.

ENVIRONMENTAL ASSESSMENT ADVISORY COMMITTEE

Mr. Rae: Mr. Speaker, my question is to the Minister of the Environment. It concerns a potential discrepancy between a commitment made by the minister and a commitment made on Tuesday by the Premier (Mr. Davis).

I am referring to the commitment the Minister of the Environment made on a number of occasions, but made specifically to Mr. Timms, who is the executive director of the Conservation Council of Ontario, that, "The Premier has decided to establish the environmental assessment advisory committee to deal with the question of exemptions to the Environmental Assessment Act."

The minister specifically stated, "The advisory committee's function will be to review proposed exemptions and designations at the request of any person." I am quoting specifically from the letter the minister wrote to Mr. Timms.

On Tuesday, the Premier made a speech to the conservation council in which he stated that yes, indeed, the committee would be established but, and I am quoting from the Premier's speech, "The mandate of this committee, which will consist of at least three members, will be to review, as requested by government, the overall implementation of the act as well as exemption and designation applications."

The minister will appreciate that someone reading those two lines would see a distinction between "at the request of any person" and "as requested by government." I would like to ask the minister which it is. Is the environmental assessment advisory committee going to consider any request from any person or is it simply going to respond to requests that come to it from the government?

Hon. Mr. Norton: Mr. Speaker, offhand I do not recall the specific details of the letter to which the honourable member is referring. I will review that. At the time the letter was written, if it did not point out there were two or more options being considered in terms of the

structure of the advisory committee to which the commitment had been made, then it was incomplete in that respect.

There were at least two options being considered. The decision has been made and it is a decision I support. The statement by the Premier this week is the correct representation of the decision. I will review that letter. It may be that inadvertently it was not complete in its presentation of the options but I do not recall the specific letter.

Mr. Rae: That is quite an admission on the part of the minister. I am sure he will agree there is a substantial difference between giving a right to any citizen of Ontario to refer an exemption to this committee, and this committee simply being seen as, and in fact being, the handmaiden of government.

This committee is going to have a very important role with respect to exemptions to environmental assessments. Why can the minister not give an ironclad guarantee to this Legislature that when it is set up it will consider each and every exemption and designation under the act and not simply those referred to it by the government? The implications are tremendously different, as the minister understands.

Hon. Mr. Norton: It is important the member understand a couple of things about that matter. First, there are many exemptions which are often looked at in bulk by members of the opposition who suggest that the numbers of exemptions are being inflated.

For example, by virtue of the way the legislation is structured, if one has a requirement for either a full environmental assessment or an exemption in the case of certain internal renovations in a building, surely even the member would not suggest it would be necessary to refer something as obvious as that to a special body for review and advice to the government.

In terms of subsidized housing, for example, Cityhome recently pointed out a problem with respect to the legislation. If houses were being built by the city of Toronto, they would be subject to a full environmental assessment, whereas housing being built next door by a private developer would not be.

Surely it was never contemplated that full environmental assessment should be necessary for something as forthright as the construction of residential accommodation. Neither, in my opinion, should it be necessary to seek the review of that issue by an independent review body and seek its advice to the government. It

seems to me that is a wasteful use of its time. Therefore, I do not agree with the member that every possible exemption should be referred to such a body.

Second, he has raised the question as to whether or not it would be on request or referral from the government or referral from anyone. The point one has to bear in mind is that this is an advisory body. The commitment was to establish an advisory body to government. It is important in those kinds of situations that they give advice on those matters on which government requires advice. If individuals are not satisfied with that, ultimately it is the government that is to be held accountable. There are a variety of ways in which that can be done. One of them is in this chamber, and another is at the polling booth every four years or so, and sometimes more frequently than that.

3 p.m.

Mr. Elston: Mr. Speaker, it has been some time now since the minister advised us as critics that he would be setting up this advisory body. I wonder whether he can tell us exactly when this body will be in place and whether he will at least allow that body to receive notice of all applications for exemptions whether or not they are officially referred to that body.

Will he undertake that they will receive advance notice of all the applications for exemption, so that at least they may be aware of the types of exemption applications that are going in front of the government and can provide some input before decisions are made with respect to those decisions?

Hon. Mr. Norton: Mr. Speaker, surely the honourable member recognizes that he is in error in attributing to me some commitment for setting up the advisory body, because it has been only within the past week or so that the decision was made to charge me with that responsibility. If the member recalls, it was originally to be established as an advisory body to the Premier, and I now have assumed the responsibility for it.

I will be proceeding forthwith to implement it. Obviously there are certain points at which I must consult about matters relating to membership and composition of the body, and I will be proceeding as quickly as possible to do that.

Mr. Laughren: Mr. Speaker, we have fallen a long way from what we were promised to what we now appear to be getting.

Since the advisory committee is going to review exemptions to the Environmental Assess-

ment Act and since the Ministry of Natural Resources has a blanket exemption for forest management activities which expires at the end of 1982, will the minister assure us of one of two things: first, that the blanket exemption will not be continued at the end of this year and the Minister of Natural Resources (Mr. Pope) will have to table his document on the effect of environmental assessment on forest management activities; or second, that forest management activity exemptions will be referred as a priority to this new advisory committee?

Hon. Mr. Norton: Mr. Speaker, I cannot be certain as to the timing of its establishment. It is unlikely the committee will be established by the end of this calendar year. I do not think it is humanly possible to carry out the necessary consultation in that period of time. It certainly would not be my intention to make the requirements of it in any way retroactive. I am sure it will be challenged by the responsibility to carry out those matters that are referred to it from time to time without trying to look at matters retroactively.

SAFETY OF OFFICE EQUIPMENT

Hon. Mr. Ramsay: Mr. Speaker, the member for Scarborough West (Mr. R. F. Johnston) asked me to comment on the possible recourse available to an employee of the Canadian Trotting Association, who allegedly was terminated for refusing to operate a video display terminal during pregnancy. As the member knows, procedures for pursuing complaints of this nature are set out in the Occupational Health and Safety Act. I am referring in particular to section 23 of the act, dealing with work refusals, and to section 24, relating to reprisals taken against an employee for exercising rights under the act.

In either case, the aggrieved employee's first step should be to bring the matter to the attention of the ministry's industrial health and safety branch for investigation. It is my information, upon checking, that no complaint has yet been received by the branch from the employee in question.

I can assure the member that the ministry appreciates the level of public anxiety about possible hazards associated with the operation of video display terminals. It is a complex subject which is currently under study by a number of groups, including the task force referred to by the member. The facts in each case will be investigated thoroughly to determine whether a health hazard exists and whether

an accommodation can be reached to relieve the particular employee's anxiety.

RECRUITING IN SCHOOLS

Mr. Sweeney: Mr. Speaker, my question is to the Minister of Education and it deals with potential cult activity in the secondary schools of Ontario.

Since the minister now has had an opportunity to review the material I sent to her yesterday with respect to the attempts by an organization known as est to gain access to the secondary schools of Ontario by using the deceptive front activity known as the Hunger Project, does the minister share my concern and the concern of the principals in Caledonia and Dunnville, who have been contacted by est and have a concern that their pupils could be vulnerable to the deceptive recruiting practices of the organization known as est?

Hon. Miss Stephenson: Mr. Speaker, I am grateful to the honourable member for providing me with some additional background material related to the est group and the activities that attend upon the Hunger Project recruitment program.

As the member knows now, I think, the two principals involved withdrew approval for the intrusion of these representatives into their schools, and we have made inquiries through the regional offices to determine whether the activity is widespread and the mechanisms that are being used. We have also made contact with the Ontario Teachers' Federation, and through them with the headmasters' association, at least to alert them in the beginning that some of this activity might be expected.

Once we have determined whether there is a widespread attempt to invade the secondary school system for the sole purpose, apparently, of recruiting young members to est rather than attempting really to do anything about hunger—because there are some very interesting quotations from knowledgeable people regarding the involvement of est in the Hunger Project—then we shall determine whether we should send out a memorandum to all schools to notify them that there is something not quite kosher going on in this whole activity.

Mr. Sweeney: I thank the minister for having taken that action. I draw to her attention that Mr. Derek Bishop, the vice-principal at Caledonia, also has been in contact with his fellow principals and vice-principals in the whole Niagara area.

Given the fact that the minister is taking the

action she described, I wonder whether she will consult with her colleague the Attorney General (Mr. McMurtry) and point out to him that the lack of activity on the Hill report on the part of his ministry is one of the incentives for organizations like est to take these kinds of forward actions and to go into these kinds of recruiting programs. I hope it is the Minister of Education's belief that we need to do something to stall the activities of these kinds of organizations, which use such deceptive and fraudulent practices.

Hon. Miss Stephenson: It is probably extremely difficult to legislate against the potential activities of groups whose ends may not be those that society generally appears to support. But it does connote the absolute necessity of constant vigilance, particularly on the part of all those involved with either the rearing or the educating of young people, to be as fully aware as possible of all the groups with such aims in mind. And there are several; we know that.

The activities of the Council on Mind Abuse, as a group that collates material and provides information about such groups, are invaluable to the school system. We appreciate receiving whatever annotations it develops of new groups or new activities on the part of several groups.

I shall certainly speak to the Attorney General. I am not sure at this point, given this kind of democratic society, that we can still the voices of those who tend to move in directions that are not universally supportable or in support of the kinds of value systems that we believe are important within this society.

3:10 p.m.

WORKMEN'S COMPENSATION

Mr. Mackenzie: Mr. Speaker, I have a question of the Minister of Labour. He is aware, as we all are, of both the frustration and the need of the injured workers who have spent so long demonstrating out in front of this building and who have waited so long for some adjustment in their incomes. Can he give us a firm commitment that his bill will be before this House before we adjourn for Christmas?

Hon. Mr. Ramsay: Mr. Speaker, I am really surprised by the question. I have given a firm commitment on at least two other occasions in this House. Earlier this week the question was raised, not by the third party but by the member for Erie (Mr. Haggerty), who was concerned. I answered him at that time by telling him the bill was prepared and ready for introduction. It is

impossible to introduce a bill in this House right now because of the tactics of the third party.

Mr. Rae: That is blackmail.

Mr. McClellan: Using the injured workers as pawns.

Mr. Speaker: Order.

Mr. Rae: That is called blackmail where I come from, Mr. Speaker.

Mr. Speaker: Order. Supplementary from the member for Hamilton East.

An hon. member: The minister is not finished yet.

Mr. Speaker: I thought he had answered the question.

Hon. Mr. Ramsay: With respect, Mr. Speaker, I sat down because you stood up.

As I was saying, I have been appalled by the manner in which this House has been conducted over this session since September 21 and by the fact that the proper procedures have been held up, dragged out and filibustered.

A moment ago, some honourable member over there said I was using this bill as blackmail. That is not the case at all. I made a commitment in the House, I made a commitment to the media and I made a commitment to representatives of the injured workers that this bill would be introduced before the House rises this fall. I intend to honour that commitment. I have never reneged on a commitment in my life, and I do not intend to start now. But when can I introduce it, the way things are going?

Some hon. members: Today.

Mr. Speaker: Order. Supplementary, The member for York South.

Mr. Rae: Mr. Speaker, I am sure the minister will agree that—

Hon. Mr. Gregory: It has not been a good day, has it?

Mr. T. P. Reid: It has not been a good three weeks.

Mr. Rae: I do not know which honourable member said it has not been a good day, but I think the kind of statement that has been made here today with respect to injured workers indicates it is a very sad day—

Mr. Speaker: Question, please.

Mr. Rae: —when injured workers are used by this government as pawns.

Mr. O'Neil: You are using them yourself.

Mr. Speaker: Order.

Mr. Rae: The minister knows there would be unanimous agreement, certainly from this party and from the Liberal Party, judging from the questions that were asked of the minister by the Liberal member, to have third reading done extremely quickly. Will the minister make a commitment to bring it in tomorrow? We can give him a commitment that it will be passed through very quickly under standing order 41. There is nothing holding up this bill other than the political will of the government.

Mr. McClellan: We'll pass it in one day if you want. Bring it in and we'll pass it in one day.

An hon. member: How about passing the other legislation in one day?

Mr. Speaker: Order.

Hon. Mr. Ramsay: I am really surprised at the suggestion that this government is playing politics at the expense of the injured workers. It is the third party that is taking advantage of the injured workers by making an issue of this.

I have made a commitment that this will be introduced and passed before the House rises. There is a retroactivity clause involved; so it does not matter whether it is introduced today or on the last day of the session. Furthermore, from my limited experience in this House, this type of bill has always been introduced on the last day of the sitting.

Mr. Wrye: Mr. Speaker, I want to put this question to the minister as sincerely as I can. We are now some 15 days away from Christmas, and surely the minister understands and is aware of the distrust, not with him as a person but with the process that injured workers have had to go through. Now that the hijackers have promised to return power to this Legislature and let this bill go through quickly, will the minister stand in his place tomorrow morning and give this bill first reading? Let us get it done tomorrow.

Hon. Mr. Ramsay: Mr. Speaker, I am prepared to abide by any decision made by the three House leaders.

PROJECT CANADA

Mr. Epp: Mr. Speaker, I have a question for the Minister of Education. The minister no doubt is aware of the program known as Project Canada, which provides teachers with an excellent opportunity to have their students learn in detail about another community in this great country of ours by twinning classes in different parts of the country. Application forms for the program were received December 2, but the program expired November 30.

If this program is worth while, and I believe it is, why does the minister not send out the application forms in time to allow the schools to participate, rather than having them receive those application forms two or three days after the expiry date?

Hon. Miss Stephenson: Mr. Speaker, it was my understanding that application forms were sent out in sufficient time for schools to respond within the time frame. I cannot account for the vagaries of Canada Post, which seems to have interesting kinds of distribution mechanisms. If there are examples of schools receiving the application forms following the terminal date, I would like to hear about them, because I have not to this point.

Mr. Epp: I knew the minister would try to blame Canada Post, because the first thing the government always does is to try to blame the feds. I want to point out that the actual communication was sent out on November 25; that was a Thursday. They had to receive it, fill out the application—and there are two weekend days in there—and send it back to the ministry by November 30 to qualify, and the minister has not even extended the date. Will she extend it?

Hon. Miss Stephenson: I said I would look into it. I would like to know the specific circumstances in these cases.

3:20 p.m.

CONTAMINATED WATER IN SCHOOL

Mr. Cooke: Mr. Speaker, I have a question for the Minister of Education.

The minister will be aware of a health problem that existed at Colchester North Central Public School in Essex county. Just in case the minister is not aware of it, 92 students and staff members called in sick on Thursday, November 25. Despite the high number, the school was still not closed. The following day, 62 more students and staff members booked off. In total, between 154 and 218 people of the school suffered nausea and diarrhoea, the effects usually lasting for 24 hours. The director of education called in the health unit on November 25, yet the school remained open.

Is the minister aware of this problem? Has any investigation been conducted, and can she explain why the parents of the students, as well as the teachers who were affected, learned through the Windsor Star, rather than through the medical officer of health or the school board, about the problem that caused the

illness, which was contamination of the drinking water?

Hon. Miss Stephenson: Mr. Speaker, I am sure the honourable member is aware that the decision to keep open a school or to close it is taken by the local school board, which is responsible for the delivery of the educational program. If there was contamination of the drinking water in that specific instance, I should have thought the people involved would have heard about it from both the board and the medical officer of health. I do not know why that did not occur, but I will investigate and report to the House.

Mr. Cooke: Will the minister also discuss this matter with the Minister of Health (Mr. Grossman) and have an investigation conducted into why this matter had to be published in the Windsor Star rather than directly communicated to the parents, and why the school was not closed as a matter of prevention, which is one of the responsibilities of the medical officer of health? I ask her to look into this entire matter and to make a report back to the Legislature as soon as possible.

Hon. Miss Stephenson: Agreed.

GAINS PAYMENTS

Ms. Copps: In the absence of the Minister of Health (Mr. Grossman), I have a question for the Deputy Premier.

In view of the statements made last week by the Provincial Secretary for Social Development (Mrs. Birch) about elderly women, saying that this government has done everything possible for elderly women and those between the ages of 50 and 65 and that she felt sorrier for unemployed young executives than she did for those elderly women, does the Deputy Premier really feel the Provincial Secretary for Social Development is representing the viewpoints and interests of the constituency she is supposed to represent and, more specifically, the seniors secretariat, among others?

Hon. Mr. Welch: Mr. Speaker, I have no knowledge of whether the honourable member who just addressed that question to me was in the House on the second day, but I suggest to her that it is very unfair to continue to attribute an interpretation, suggestions and quotations on that particular subject to the Provincial Secretary for Social Development. I know of no more sensitive public servant than the Provincial Secretary for Social Development, and I thought she made those points quite clear when

she was asked questions about the matter within the past two or three days.

Ms. Copps: At the same time as the Provincial Secretary for Social Development has no concern for the women who fall into that category, she also cannot convince the Treasurer (Mr. F. S. Miller) to have a meeting with the Ontario Status of Women Council. In view of the fact that Sally Barnes, the previous assistant to the Premier (Mr. Davis), now is heading up that organization, why can the Provincial Secretary for Social Development not convince the Treasurer at least to meet with the Ontario Status of Women Council if this cabinet is concerned about the rights and problems facing women in Ontario?

Hon. Mr. Welch: Perhaps I would be wise if I simply said the member for Hamilton Centre obviously did not hear the answer I gave to her main question. She could learn a lot from the Provincial Secretary for Social Development.

MINIMUM WAGE

Mr. Samis: Mr. Speaker, I have a question for the Minister of Labour. Why do we have the lowest minimum wage in Canada outside of Newfoundland?

Hon. Mr. Ramsay: Mr. Speaker, the minimum wage is under constant review by my ministry, including at present.

Mr. Samis: Since there has been no increase in the minimum wage in 14 months and since the benefits for welfare recipients and old age pensioners have gone up, when is the minister going to do something to help the working poor of this province, especially in view of the fact that the cost of living since the last increase has gone up at least 10 per cent?

Mr. Ramsay: In answer to the question as to when we are going to do something about it, I just answered it by saying it is under review.

Mr. Speaker: The time for oral questions has expired.

Before proceeding, I ask the indulgence of the House. When I asked the member for Grey-Bruce (Mr. Sargent) to withdraw, I made a rather intemperate statement which I withdraw unequivocally. I offer my apologies to the House.

BUSINESS OF THE HOUSE

Mr. Martel: On a point of order, Mr. Speaker: Having listened to the Minister of Labour (Mr. Ramsay) a few moments ago, I want to suggest that we are prepared to stand down our

no-confidence motion on Monday next so we can consider the legislation for the injured workers of Ontario. I hope the government will accept that.

Some hon. members: Grandstanding.

Mr. Speaker: Order.

Hon. Mr. Wells: On the point of order, Mr. Speaker: I might indicate that we have before us the way out of this dilemma today. There is a time allotment motion on the Order Paper. If we can dispose of that fairly expeditiously—

Mr. McClellan: You are mixing apples and oranges.

Hon. Mr. Ashe: Not at all. Time is time.

Mr. R. F. Johnston: That's blackmail.

Mr. Speaker: Order.

Hon. Mr. Wells: If we can dispose of the motion fairly expeditiously, Bill 179 will come to a conclusion and be voted on by this House next week and we will then be ready to deal with other legislation.

Mr. Martel: On a point of privilege, Mr. Speaker: It should be abundantly clear that at least three weeks ago, I suggested to the government House leader that we might sit on Wednesdays to consider other legislation than Bill 179. But the government has kept Bill 179—

Mr. T. P. Reid: What about last night?

Mr. O'Neil: You wouldn't sit on Wednesday night. You went to your party.

Mr. Speaker: Order. I point out to the member for Sudbury East (Mr. Martel), that is not a point of privilege.

Mr. Peterson: Mr. Speaker, I want to speak to the point of order.

I think that what is going on now speaks to a major deterioration in the conduct of the business of this House. Here we have a party that is third according to the will of the electorate—a mere rump, in many people's minds—and after hijacking the business of this House for two and a half months, it now has the temerity to stand up and say, "We'll make deals in the House."

It appears to me that there is no co-operation among the House leaders. What are we going to descend into? Are we going to have individual members standing up and saying, "If you do it my way, then I will allow the business of the House to proceed"?

Mr. Rae: Is a sermon in order, Mr. Speaker?

Mr. R. F. Johnston: Ask the parliamentary assistant to the Premier to sit down, Mr. Speaker.

Mr. Speaker: Order, please.

Mr. Peterson: They show absolutely no respect for this House. It is the most dog-in-the-manger performance I have ever seen in my days in this House.

Some hon. members: Cross the floor.

3:30 p.m.

Mr. Speaker: Order, please. The member for Sudbury East will resume his chair, please.

Mr. Martel: Did the government House leader have one?

Mr. Speaker: As I pointed out, the Leader of the Opposition (Mr. Peterson) did not have a point of order. I must call to your attention that there is nothing out of order.

Mr. Foulds: Oh, yes there is. That entire party is out of order.

Hon. Mr. Ashe: The third party is out of order.

Mr. Martel: Blackmail is out of order.

Mr. Speaker: I am not going to let it get out of order. Order. I am sure these matters can be properly discussed at the meetings which are held regularly by the House leaders, as I understand it.

Mr. Rotenberg: Mr. Speaker, on a point of order: When the House leader was speaking, several members opposite—I believe the members for York South (Mr. Rae), Hamilton East (Mr. Mackenzie) and others—used the term “blackmail” to the House leader.

Mr. Martel: Right on.

Mr. Rae: I stand by that.

Mr. Rotenberg: I would suggest that violates rules 19(d)(8), 19(d)(9), and 19(d)(11), and they should withdraw that remark.

Mr. Rae: I agree with you, blackmail is unparliamentary.

Mr. Speaker: Order.

PETITIONS

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT BILL

Mr. Roy: Mr. Speaker, some people may think this is a legal aid application for the member for Sudbury East (Mr. Martel) but it is a petition.

I join with my colleagues who have tabled petitions, and I have a petition from people in my riding who request the honourable members to seek the withdrawal of Bill 127, to which I am sure the Minister of Education (Miss Stephenson) will give serious consideration. The petition is

presented in both official languages and I am sure you would want me to make sure that my constituents are aware of this petition in both languages.

“Nous, les soussignés, sollicitons l’autorisation d’adresser la pétition suivante au parlement de la province de l’Ontario: Nous demandons aux honorables membres de chercher à retirer le Projet de loi 127, loi modifiant la Loi sur la municipalité de l’agglomération torontoise.”

Hopefully, the Minister of Education, who is not convinced in English, will be convinced in French.

Mr. Peterson: Mr. Speaker, I have a petition, in one of our country’s official languages, addressed to the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario:

“We, the undersigned, beg leave to petition the parliament of Ontario as follows: We request that honourable members seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act.”

There are a large number of signatures here; far too many for me to count.

Mr. R. F. Johnston: M. le Président, j’ai quelques pétitions de la circonscription de Windsor-Riverside, à l’Honorable Lieutenant-gouverneur et à l’Assemblée législative de la province de l’Ontario:

“Nous, les soussignés, sollicitons l’autorisation d’adresser la pétition suivante au parlement de la province de l’Ontario: Nous demandons aux honorables membres de chercher à retirer le Projet de loi 127, loi modifiant la Loi sur la municipalité de l’agglomération torontoise.”

Mr. Cooke: Mr. Speaker, I have a petition to the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario:

“We, the undersigned, beg leave to petition the parliament of Ontario as follows: We request that honourable members seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act.”

REPORTS

STANDING COMMITTEE ON GENERAL GOVERNMENT

Mr. Barlow from the standing committee on general government reported the following resolutions:

That supply in the following amounts and to defray the expenses of the Ministry of Consumer and Commercial Relations be granted to

Her Majesty for the fiscal year ending March 31, 1983:

Ministry administration program, \$6,502,000; commercial standards program, \$14,530,100; technical standards program, \$8,263,700; public entertainment standards program, \$21,964,400; property rights program, \$25,364,500; registrar general program, \$4,519,900; liquor licence program, \$4,963,700, and residential tenancy program, \$5,561,000.

That supply in the following supplementary amount and to defray the expenses of the Ministry of Consumer and Commercial Relations be granted to Her Majesty for the fiscal year ending March 31, 1983:

Residential tenancy program, \$1,465,000.

Mr. Speaker: Order. The noise of private conversations has again reached an unacceptable level.

STANDING COMMITTEE ON PROCEDURAL AFFAIRS

Mr. Kerr from the standing committee on procedural affairs presented the committee's report on standing orders and procedure and moved its adoption.

Mr. Kerr: Mr. Speaker, I am pleased to present this report to the House. It is an important first step in terms of the reform of the rules and practices of this assembly. In this report, the committee has identified issues that it feels can be the subject of quick action by the House. The recommendations are supported by all members of the committee in the hope of gaining the approval of all parties in the House so that the recommendations may be implemented in the near future.

It is crucial that the parliament of Ontario take positive steps to review the laws of parliament and the procedures that govern the machinery in response to the problems confronting modern legislators. Clearly the work of the committee has just begun.

Over the winter the committee will grapple with the issues that go to the heart of the reform of this House—the supply process in the committee system, time limits on debates, a parliamentary calendar and the role of the private member—and we will be looking for the support of all members of the assembly as we approach this task.

On motion by Mr. Kerr, the debate was adjourned.

INTRODUCTION OF BILLS ELECTION AMENDMENT ACT

Mr. Boudria moved, seconded by Ms. Copps, first reading of Bill 201, An Act to amend the Election Act.

Motion agreed to.

Mr. Boudria: Mr. Speaker, this bill will provide a procedure of voting by mail for the convenience of persons physically incapable of attending a polling place. This system is an alternative to the present procedure of voting by proxy and is now established in Manitoba.

I would like to acknowledge the excellent contribution and assistance in the preparation of this bill from Mr. Andrew Seale, a second-year economics and political science student at Sir Wilfrid Laurier University.

CONSUMER PROTECTION AMENDMENT ACT

Mr. Newman moved, seconded by Mr. McEwen, first reading of Bill 202, An Act to amend the Consumer Protection Act.

Motion agreed to.

Mr. Newman: Mr. Speaker, this is the sixth time I am reintroducing this bill. This bill requires that every product offered for sale by a retailer and marked with a universal product code also be clearly marked with its individual purchase price.

3:40 p.m.

ORDERS OF THE DAY

CONSIDERATION OF BILL 179 (continued)

Resuming the adjourned debate on the motion for time allocation of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Mr. Rae: Mr. Speaker, I simply want to take this opportunity to summarize the arguments we have made with respect to the procedural motion that stands in the name of the government House leader.

Feelings were obviously running very high this afternoon with respect to the positions that have been taken by the different parties on this bill and on this motion, and I want to do what I can to try to put our position in such a way that people will, perhaps in a moment of a little greater coolness, reflect that what we are doing is based on certain principles that have to do

with the very fundamental rules and procedures of this House and of any assembly.

Our basic argument throughout, from the point of order we raised yesterday to the arguments we made in response to the motion that was moved by the government House leader, has been that this motion in and of itself is a dramatically new departure for this Legislature. We believed it to be such a great departure that we considered it to be out of order; however, it has been ruled to be in order. But whether it is in order or out of order, we believe it to be a dramatically new departure for this Legislature.

I do not think it is any secret that on every occasion in democratic assemblies where we have fundamental philosophical, profound differences of opinion on a certain bill, we have debates that cause a great deal of antagonism on either side. If we look at the history of the House of Commons in Canada before the introduction of closure, members will know that the debate over the naval appropriations bill before the First World War caused a tremendous furore in the House of Commons. It divided the country tremendously.

It was a debate that saw Sir Wilfrid Laurier pitted against Sir Robert Borden in one of the great joinings of political consciences and political wills on the floor of the House of Commons. It was not a pleasant battle; it was not a tea party. It was a very fundamental opposition between the opposition of that day and the government of that day.

Members will, of course, remember the introduction of closure over the pipeline debate in 1956, and that was only the second time closure had been introduced between the years 1913 and 1956. Again it represented a major political confrontation between the opposition and the government.

All we are suggesting with regard this motion today is that it represents a fundamental departure, and that before members rush into it because of the positions they may or may not have taken with regard to Bill 179, quite apart from the merits and quite apart from the position any party in this Legislature has taken with respect to Bill 179, the House has to address another, more fundamental question: Is this the way in which this House wants the question of time allocation to be discussed and to proceed?

We have suggested that the question of time allocation in and of itself is too important to be discussed and dismissed in the space of a couple

of hours or in the space of four or five hours, and that is why I must confess to being genuinely surprised when the government House leader indicated that he saw this matter as being one of only minor procedural importance and thought this discussion should be very quickly wrapped up so that the House could get on with the business of passing Bill 179.

I do not want to get into a discussion of Bill 179. We could have another argument about it, and I do not think that would be terribly productive or very fruitful at this particular moment. I do want to put very clearly to you, Mr. Speaker, the concerns we have as an opposition party with regard to this method of adopting a time allocation procedure.

In our view, time allocation procedures are not things which should be thrown in, mixed up and adopted when the House is considering what has clearly become one of the most contentious issues in this Legislature in recent memory. In our view, the question of time allocation has to be taken right out of the context of Bill 179, or any other bill, and this House has to consider the methods, means and procedures which a government will have to follow with respect to time allocation.

The House of Commons, as the government House leader knows, has 75(a), (b) and (c). I happen to feel as a member of the opposition that that is too draconian. It gives too much power to the executive; it gives too great a power to the government, and it is something we should not adopt exactly in that form in this Legislature.

The point is, time allocation is not something which we can discuss in a rational way and reach a rational conclusion about because of the tempers that have been frayed and raised as a result of the discussion of Bill 179. It is wrong for the government to be confusing those two issues.

I also believe it is wrong for the government, since it controls the Order Paper, to confuse three very separate issues: the issue of time allocation, the issue of Bill 179 and the question of compensation for injured workers; but I will leave that alone since that is clearly an issue that raises a great many emotions on both sides.

I simply want to make this plea to members of the official opposition. I hope they too will take the occasion to separate their views about Bill 179 from their views about time allocation and the implications of time allocation.

Mr. Roy: We already have.

Mr. Rae: The member for Ottawa East says they already have. I recognize that. I was a bit concerned when I heard the leader of the official opposition saying on the radio this morning that the government had no alternative but to do what it did.

Hon. Mr. Ashe: That's right.

Mr. Rae: Those were his words. Those were his words.

Hon. Mr. Ashe: Thanks to you.

Mr. Rae: I must confess they were pretty strange words to be coming from a leader of the official opposition, who is a member of the official opposition.

I will summarize what our view is. There is no common law right in the government to introduce a closure motion of this kind. The government has to have authority within the statutes either of this House or of basic common law precedents in other jurisdictions. There are no such common law precedents. The only precedents are those which flow from particular rules and procedures which have been adopted in those assemblies, be it the House of Commons in Ottawa or the House of Commons at Westminster.

For that reason, and because we are concerned with preserving the rights of the opposition and with preserving the rights of each and every individual member to have his or her say with respect to this piece of legislation, and because we are concerned to see that each and every member of the Legislature has a right to put his or her view with respect to this legislation, we are firmly and strongly opposed to this motion being put at this time and in this way.

I think it is something the House is going to have to consider with some genuine concern and consideration. It is not something which should be confused with the substance of Bill 179. Once we enter into the world of time allocation, we are giving an extraordinary degree of power to the executive. It is something which no opposition could agree to under the circumstances in which we are being asked to agree to it. A gun is being put to our heads by the government and we have absolutely no intention of putting up with that kind of pressure or knuckling under simply because there is that kind of pressure coming from the government.

3:50 p.m.

This is an issue which has to be discussed and debated on its own merits. Every private member has a stake in seeing it is done the right way, because if it is done the wrong way it is not

simply the rights of this party or even the rights of the Liberal Party that are going to be threatened, it is the rights of each and every member of this Legislature whether a member of the government or of the opposition.

Mr. Jones: Mr. Speaker, I welcome the opportunity to join in the debate on this resolution by the House leader. I was disappointed to hear the member for York South (Mr. Rae) conclude his remarks with the suggestion that somehow or other there has not been opportunity for people from whatever party to express their feelings about this bill.

I sat in on the debate that took place in the chamber on second reading and sat through the debate that took place in the committee. I say that rather loosely because we had a period of some 35 hours when we had public hearings. We did have an opportunity to hear what the people of the province, drawn from the many cross-sections of society, had to say about this legislation. They had a lot of suggestions for us as legislators.

I have to suggest that the third party really has prohibited us as legislators from having a proper opportunity to consider and discuss some of the amendments that were tabled by the opposition party, for example, and amendments that were offered by the government. We had an opportunity to discuss those and time was wasted away even though the third party will pretend that somehow or other it was not abusing the time.

Yesterday, we heard a comment by the member for York South as to how we were all of a sudden having an abrupt end to the discussion of this bill. We heard over and over again their favourite new catch phrase of "closure." As the House leader reminded us as he put his resolution and took us step by step through the resolution, we all know this is not closure. It is an allocation of time.

Heaven knows, we needed some kind of organization of the remaining time in the consideration of this bill because we certainly saw, and I know the New Democratic Party does not like to hear it, an abuse of the time of this Legislature and its committee as we considered this bill.

I think it was our Premier (Mr. Davis) who said rather clearly that he did not, in all his years in this House, ever recall a bill that had more consideration, more time and more discussion than Bill 179. This resolution proposes to bring in some order and finality.

We listen to the NDP members with their

rhetoric about closure. We have their open admission that they were going to do everything in their power to delay the workings of this House and its committees to focus attention on their debate, all the time pretending they were not in any way delaying any of the proceedings, that they were following right along with the procedures.

We sat in the standing committee on administration of justice, as the chairman could attest, and watched the little games. One person slipped out through the door so that somehow or other it gave some kind of legitimacy to the fact we had to sit through another 20 minutes of bells while we wasted time getting through the bill.

Mr. Foulds: No bells; come on, just natural pauses.

Mr. Jones: Come now, the member for Port Arthur knows. He was there.

We just heard the member for York South pretend that somehow or other there has been a stifling of opportunity for the members to have discussion. What a lot of nonsense. They had members come, and I kept track of most of them; almost every member of the NDP caucus visited that committee, depending on the group. They wanted to do a little grandstanding in front and here in the House. They put on quite a little show and gave us all their philosophical reasons as to why they oppose a restraint bill, and particularly Bill 179. They then stand in this House and have the audacity to pretend that somehow or other they have been deprived of an opportunity to express themselves.

Further, we have had the House leader of the NDP visit many a time. He would come in and give us his old Sudbury basin speeches, retreaded but almost like new, one might say. He would tell us about that economy and somehow or other wander away from Bill 179. But with the tolerance that the chairman of the standing committee on administration of justice is well known for, he did permit that in the hopes that somehow or other the members of the NDP would have a chance to express their feelings about the bill.

They had all of those opportunities and then, as we know, they launched into their famous little game on clause 1(a) in the committee, which they repeated in turn here in the House as we came back to get on with the job, as we were directed to do, to consider the bill clause by clause.

We heard them calling for the different ministers that the NDP insisted were particularly affected by this legislation, those who had a

particular responsibility. We heard them calling for the Minister of Labour (Mr. Ramsay), the Minister of Consumer and Commercial Relations (Mr. Elgie) and, incidentally, the Treasurer (Mr. F. S. Miller), who was carrying and introducing the bill. He said clearly, from the outset, that the minister would be available.

We heard in motion after motion an argument for each of the different ministers, and sometimes not ministers but people from the Ontario Status of Women Council and other people. They felt that somehow or other we were stifling the opportunity for the third party to have an opportunity to express and impact some of its thinking on to the ministers who would have some responsibility for the different parts of this omnibus program and Bill 179.

On this motion, we heard the House leader recount to the members how there had been no fewer than 12 occasions in the House of Commons this year when this particular procedure had taken place. I know the leader of the third party has a different interpretation of some of the precedents that were explained to us for our assistance by the House leader, and I know that on some of the Erskine May precedents there is a quarrel and disagreement.

I think it is important for all of us as we look at this resolution to be reminded of the House leader's comments when he reminded the leader of the third party, the member for York South, that it was he—and I paraphrase him somewhat, I suppose—who has been recorded as saying that he is against the hijacking and against the straitjacketing of the workings of this House and of its committees.

There he is, as the leader of a party who visited in the committee and saw his members clearly abusing the time of this House on Bill 179, as they had on Bill 127 and the other workings of this House. Then, of course, he had his righteous indignation with the Minister of Labour today because we were not able to find time on the Order Paper for a bill affecting the injured workers.

Mr. Speaker, I remind you, as we consider this resolution by the House leader, that we have had those 130-odd hours—

Mr. Cassidy: On a point of order, Mr. Speaker: Several times I have heard members of the government party claim it was impossible to introduce the bill to bring up the pensions of injured workers because of delays on Bill 179. I think the government members have forgotten there was a period of six or seven weeks during which Bill 179 was not in this chamber at all, and

the failure to bring the other bill in during that period was certainly the fault of the government party.

The Acting Speaker (Mr. Cousens): It is not a point of order, but the member has made his point.

Mr. Jones: I will stick with this resolution that deals with Bill 179, but I would remind the member that we were having much the same silly games taking place in the procedures of this House with other bills in here, such as Bill 127.

This motion is not, as the NDP pretends, somehow or other changing forever and a day the rules of order of this House. It deals with Bill 179. It is true the third party has strong feelings about the philosophy of the bill; that is fine. Many of us on the government side have listened patiently. We have taken to heart many of the thoughts expressed in their debate and that is fine. They contended that somehow or other we wanted to steam-roller this through but that is not true; by 130 hours it is not true.

4 p.m.

We attempted to hold out the olive branch, if you will, for proper, ordered consideration of the bill and said yes to the time we could have for public hearing. We have tried to accommodate in many quarters. We did, indeed, as we moved back into the House. That again brings up the matter of the so-called closure in the committee.

The Minister of Labour, the Minister of Consumer and Commercial Relations, the Minister of Education (Miss Stephenson) and the Attorney General (Mr. McMurtry)—many of those the New Democratic Party had been anxious to have attend—came to listen and to debate the effects of this bill. They were in attendance in hopes the NDP would settle down, become serious and proceed with clause-by-clause consideration of this bill as the debate on the bill continued in the House.

We who sat through the debate that took place in the standing committee on administration of justice, I think it is safe to say, did come to an appreciation of some of the serious thoughts the NDP put forward. We listened very intently as the official opposition put forward its amendments. Several of us have them at hand and have analysed them thoroughly. The government has given much thought to those amendments and the effect they might have on the legislation as proposed.

Yet, sadly, we saw ourselves back in the House debating even the name of this bill—

which is why this resolution has been put. We could not proceed beyond clause 1(a). As responsible legislators we must wonder, as we consider this resolution, at how the debate has degenerated into silly games. As the members of the third party made their arguments against this bill they contended that no thought had been given to the very name of the bill. That is how we got bogged down on clause 1(a). That is how we came to have this resolution for the allocation of time—not closure—to take the thoughtful steps towards the conclusion of debate on this bill.

In the amendments that were put forward on clause 1(a) the argument was made that this bill had not been properly thought out by this government, that it was not targeted to fighting inflation. The third party would have us believe that some silver bullet was the only thing that would solve our economic problems in this province and this country, problems which come to us from outside our borders.

This bill is but one part of an overall program. As this bill was working its way—to use the term loosely—in the committee and in the House, our Treasurer was at the same time meeting with his federal counterparts to deal with many of the issues that came up in the committee.

Where there were calls for job creation in the carriage of this bill, we saw the Treasurer working with the federal government in a matching co-op program with a commitment of \$100 million for job creation in the province, and that was followed by a further program for \$50 million. In a debate last Thursday there was a litany of the programs stemming from his budget and the many other ongoing programs which this government believes will help the economy. We are making up a package of which Bill 179 is but a part.

People in the opposition questioned whether the government has given thought to the effect of this bill. It has. We know this government, prior to introducing this inflation restraint program, considered a wide range of restraints. I think it is safe to say as far back as last summer we heard our Premier and our Treasurer commenting about the impact of a national program.

We heard debate, particularly from the third party, that somehow or other this bill did not address itself to inflation in any way. In fact we spent all the time of this session, since coming back to the House—and a great part of it in committee—on points of order debates, wandering all over the bill. Some pretended to be somehow or other on clause 1(a), debating the

name and why the word "inflation" was a part of that.

We all know, as we consider this motion before us today, that governments are a large source of inflation. We all know they fuel inflation, so it is important to have restraint.

People have said in the debate that this legislation—Bill 179—somehow or other was going to destroy employment opportunities. That is not the case at all. In fact, one of its main purposes was to address itself to the reality that government spending contributes to inflation. It is important that we, as a government, demonstrate to the private sector and other levels of government that we do appreciate that restraint is important.

We saw a growth of some 15,000 in numbers in our public service in Ontario in the last three years. We know we are faced with but a few alternatives if we do not address ourselves to a restraint program. We know we can go into increased borrowing in our capital markets. We know we squeeze out the private sector and others and we have to consider that kind of an eventuality. We know we have passed through the cost of those borrowings and they are horrendous to the taxpayers of Ontario if we do not have restraint.

The other option, of course, is to increase taxes if we do not have a bill such as Bill 179 and as we are considering in this motion by the House leader today. Also important to the debate and something that tends to be lost—certainly by the New Democratic Party—is that if there is to be restraint in the private sector, as there must be, we have to set an example.

We know other forces are at work in the private sector. We read every day in our newspapers that the private sector—small business in particular but big business as well—is suffering, bleeding in this economy. We have unemployment as never before and we have a responsibility as a government to exercise our fair share of restraint.

We also knew, as a responsible government, that unless we were to have an increase in borrowing and taxes we would be faced with cutting back services and/or laying off people within the public service. Bill 179, which this resolution proposes to bring to some finality, was as much as anything protecting against the possibility of layoffs in the public sector that otherwise would be faced. We are proud of the public sector work force in this province, and this legislation was as much for their protection as for any other purpose.

Many of us have been involved in the debate—the Treasurer, the Premier and others the opposition have pretended have not taken part. They have been involved from the very start—from their first comments, from the opening statements by the Premier and the Treasurer. Now as we see this resolution guiding us in an orderly way to the conclusion of this debate, we have said over and over again that Bill 179 was critical to the overall program of this government in bringing about a recovery in the economy of this province.

4:10 p.m.

As I listen to members opposite pretending that somehow or other they have not been delaying the process of this House, I say that just is not so. It makes for good rhetoric, but those of us who have sat through the debate can attest to the fact that we became somewhat embarrassed, as individual members of this Legislature. Clearly we were being seen—and not just by the press but by the people who come and go at this assembly and the people who visited the committee—as being involved in a very juvenile game, despite the pretence by the New Democratic Party that it was standing for very stalwart principles.

We believed that in one sense. I can say without hesitation I have no problem with the idea that the member for Hamilton East (Mr. Mackenzie) was being very sincere on occasion. Then he would lapse into abuse of the time of the committee, and repetition of the same old debate over and over again, pretending all the time there was no abuse of that time when we could have got on with the debate.

Mr. Cooke: And you stonewalled every request.

Mr. Jones: That was not so at all. We had the Treasurer sitting in the committee, prepared to answer questions, indeed answering many questions. We had staff standing by. Talk about government waste and restraint these days. Staff would come patiently to sit and wait to address themselves to the amendments proposed by the official opposition, amendments that never came, except for a lot of silly amendments to the first section of the bill offered by the NDP. They waited there to answer questions, hoping to help improve this Bill 179 that our resolution is addressing today.

Mr. McClellan: You were not going to accept any of their amendments.

Mr. Jones: Listen, if the member likes, I would be happy to address some comments to the amendments we had from the third party—

The Acting Speaker: The honourable member is not going to debate the bill. We are debating another kind of motion. I want to make it very clear the honourable member will not be debating Bill 179. You can talk about the bill, but there will be no debating Bill 179.

Mr. Jones: I will not, but, as I address myself to this resolution the House leader has presented to the House, we did a careful analysis of those amendments. I was merely sharing with members the fact that we were standing ready as a government for serious consideration of the debate that was being put by the opposition. I say "serious", but we unfortunately degenerated into points of order and all kinds of silliness. I think it will make many of us reflect on just what we could have done, not only with this bill but with the valuable time that is given to us as legislators in a time of pressing economic conditions.

We do have an opportunity from this vantage point not to be a silver bullet but, as the government has proposed in Bill 179, to see it go forward in constructive debate as an example. We have the opportunity to learn from the process, to help the economy towards some of the solutions that should be happening.

Mr. McClellan: Stonewalling and then closure; that is the whole story.

Mr. Jones: The member for Bellwoods uses the word "closure" again, but that has never been the case. As we looked back to Westminster for examples and drew on those, as we looked into Erskine May, that was merely the orderly process of advancing a bill back to the House in one more step to get on with the job of being responsible legislators, to do our job of debating and carrying out the proper process.

I remind the members this is not closure. I think this is extremely important, because we can become very exercised and all of a sudden start to talk about the damage done to the democratic process. This is allocation of time, an ordering of our time in consideration of the balance of this bill.

Mr. Cooke: It is a guillotine motion.

Mr. Jones: I know the word "guillotine" is used in Erskine May and some of the other explanations, and that sounds very dramatic and we can become very emotional about it. The fact is it permits all the processes that have been open to us for almost the last three months to deal with the bill.

The New Democratic Party—and this is the necessity of this resolution—declared from the

outset it was against the bill and was going to do everything humanly within its powers to prevent the bill from going forward and having any consideration—

The Acting Speaker: Is the honourable speaking to the bill?

Mr. Jones: Of course, Mr. Speaker. I am speaking to the resolution. As I urge my colleagues to appreciate the reason this resolution has come about, I also urge all of us to be reminded that it is not closure. It is so we can get on and, in our democratic way, deal with the particulars of this bill and the proper allocation of time. We wish to bring in some finality so this government can, with the aid of Bill 179, get on with being responsible. We wish to address ourselves to restraint within this government and proceed from there, through the many other programs the government has been active in which flow from our last budget, to breathe rekindled life into the economy of this province.

Mr. Speaker, I thank you for the opportunity to share a few thoughts. I am happy to see the official opposition has come to appreciate—

Mr. McClellan: What about the Liberal amendments? You were not going to accept any of them.

Mr. Jones: With all due respect to the member, the official opposition did its proper job. It offered some amendments. It was ready to deal with them and consider them.

Mr. Cooke: How many are you going to vote for?

Mr. Jones: We are prepared to debate the merits of them, pro and con. I have them handy here.

The Acting Speaker: Desist in this dialogue back and forth.

Mr. Jones: This resolution comes to us of necessity, if we are to be responsible legislators with the precious time that is rationed to us. This is a time when government has a special need to be responsible and a need to deal with something as important as we know Bill 179 addresses itself to—restraint and all that. I just touched on one section of it. This is an instrument to help ensure we do not have layoffs of people within the public sector and that we have proper, responsible restraint.

As to this resolution, I hope all of us will be reminded of the lessons learned from this. We have had gamesmanship to be sure. As I watched the debate, I saw a lot of sincerity but sadly there also was a lot of abuse. That made this

resolution absolutely necessary so we could get on in an ordered way to consider this important legislative program.

Mr. Nixon: Mr. Speaker, I regret the time allocation motion has finally been put before this House and I intend to oppose it.

The House has been in operation for 115 years with a variety of issues and leaders on all sides. We have dealt with important matters, many of them divisive, many of them at least as important as the principle of the bill this motion deals with. I do not suppose there are many people who would say they have listened to better parliamentarians than the former member for York South or the former member for Scarborough West, who had the honour to lead, and most effectively led, the New Democratic Party in years gone by.

The argument put to us by the NDP that this bill transcends all others in its importance and its effects on the foundations of democracy is difficult to accept. It is particularly so when one realizes that, in over a century of dealing with the business of Ontario, many matters pertaining to the individuals in our community—our relationships with our municipalities, our relationships with the government of Canada, the provision of education, the provision of separate education, the control of our police forces—all of these issues have come before this House.

Until now parliamentarians have always realized it was their duty to put forward their views—on this side often in opposition to the position taken by the government—as strongly and as effectively as possible, and sometimes at great length when it was considered reasonable and a part of a significant position so to do, and eventually to cast their votes as their principles directed.

4:20 p.m.

This is the first time in 115 years that the legislative time of the House has really been pre-empted—one might say confiscated—by one political party to the extent that strong action, really unacceptable action, had been taken in the judgement of the government of the day.

The New Democratic Party and at least one of my colleagues have brought attention to the fact that rule 36, the so-called closure motion, is among the weapons in the armoury of the government—or I suppose even the opposition on certain occasions. They have said this would have been a better alternative.

In the traditions of this House, even closure

has been used only rarely. The last time, the one all of us remember, was when the government forced interim supply through the House with a closure motion. Before that there is some difference of opinion about what the records hold, but the last clear closure motion was back in the 1890s on some other issue that is irrelevant at this stage.

The only other time in my experience when I heard a closure motion put in the House was during the time of the interim government after 1975, and it was proposed by the NDP member for Port Arthur (Mr. Foulds). I think he thought better of it and withdrew it, and we did not proceed along those lines but certainly it was his intention at the time.

Closure is really not a part of the traditions in this House, because with two viable opposition parties of varying sizes, depending on the slice of history one examines at the time, we have had an opportunity to express our views strongly and at length, we have had an opportunity to summon our supporters in the gallery and we have had an opportunity to remove the material from the House and send it to a committee for further review. But eventually, without closure and without a time allocation bill, the House has drawn to some sort of conclusion that would decide the matter.

To be fair, the governments of the day over a number of years, in the face of concerted opposition in the House and quite often paralleled by opposition coming from the community, often through the government party itself, have wisely withdrawn a bill or simply allowed it to die on the Order Paper. This was one of the alternatives—let us say one of the goals—the NDP indicated they would accept: if the government indicated they would not proceed with the bill or would withdraw it we could proceed with other matters.

I think we should examine that for a moment. All of us in our own experience here have seen the government bring forward bills they would vehemently defend at first and second reading, only to find the community would not stand for the legislation. The honourable House leader of the government party is aware in his own experience of certain bills like that.

One of his many solutions to the Toronto Islands problem falls in that category. A bill was presented as government policy, having been approved by the cabinet—and maybe it was run past the caucus, although they are a docile bunch and never give the government much difficulty. It was presented in this House as the

final solution, if I may use that phrase. Although it was opposed on this side and we would like to take credit for the withdrawal of that bill, we know it was because, through another sort of grapevine to which the government is particularly sensitive, it became apparent the bill could not proceed. Even the government House leader himself, with all of his influence and ability, soon jumped back from it—and very wisely he did so.

In this instance it is not going to happen. For one thing, no objective observer has seen the kind of strong response from the community that would indicate the bill is unacceptable to the community. I do not want to argue with people who hold different views, but we have heard the president of the Ontario Federation of Labour advise his many thousands of dues-paying supporters they should be in these galleries ready—under the rules of the House, and no one has advised them to break those rules—to support those who are opposing the bill.

I have heard Mr. Pilkey give this advice on the radio. I have heard him questioned by reporters about it. We know the response has been weak and timid indeed. We have seen the New Democratic Party in Windsor try to bring a busload along. The story is that the busload picked up some teachers in London along the way and the unemployed auto workers from Windsor. They were talking to the teachers and found out their average pay was between \$30,000 and \$40,000 a year and they were down protesting a limit of five per cent on those salaries. It is probably apocryphal, but I understand they were kicked out along the 401 somewhere about the racetrack.

There have been a number of occasions when there was some sort of a paltry effort. I saw the member for Hamilton East visiting all the galleries the other night. There were about 15 people here whom he had persuaded to come over from Hamilton. They were, no doubt, members of the union he has been a member of and has defended so strenuously here. As a matter of fact, I do not know whether it was that night or the night before that the president of the Ontario Public Service Employees Union himself was in the gallery, the public servant who appeared before the committee and advised his members that if the bill were to pass, they should disobey it. This was strange counsel indeed coming from a citizen of this province who is leader of a well-respected union.

But he and his supporters were in the gallery. That was the evening the chairman of the

committee had to find what our Votes and Proceedings refers to as “grave disorder,” and the business of the House was suspended until those people were put out. Frankly I did not think it was grave disorder. I thought it was rather pathetic, particularly since the whole concept from the NDP has been that the community cannot stand for this sort of legislation, which they feel is destructive to the democratic principles all of us support. Obviously their reading of this matter is incorrect. Still they have proceeded with the confiscation of the legislative time in this House for a number of weeks, and many hours in the justice committee.

I listened with a great deal of attention to the leader of the New Democratic Party, the member for York South, expressing his concern about this resolution. He did it in very strong terms indeed. There is no doubt in my mind that his presence in the House will improve the quality of the debate. But it does concern me that his perception of this situation is somewhat flawed, in that he is not aware he himself, and no one else, precipitated this motion before the House.

As a matter of fact, I do not believe we can even give the general blame for this to the NDP caucus. It is not proper, and I am not permitted to impute motives. I, along with others, am prepared to accept particularly—

Mr. Breaugh: But you are going to do it anyway.

Mr. Nixon: I am not. I am certainly prepared to respond, as others have, to the comments made by the member for Hamilton East, for example, who is thoroughly opposed and committed to his opposition. There is no doubt in my mind that this is so.

But the NDP has had political problems. There was a time—and I suppose I am the only Liberal who can say this—when it was the third party and there were independent observers who said, “The leader of the NDP is the true Leader of the Opposition.” I can say that—none of my colleagues can—because I am the person who probably would be hurt by such a comment.

If there is any effective way in which NDP members think they might resume that position in the future it is not by saying they have done so themselves, because I tell them that they have not. There may come a time, God forbid, when some objective observers of their conduct in the House will make that judgement.

After the last election, the NDP was almost destroyed. Its leader left because he took the responsibility, as was proper, for the decimation

of the party. The members went outside their ranks for someone to lead them and came in with an extremely capable young man who had already established himself elsewhere, a person who commanded the attention and interest of the press gallery and who is now here.

4:30 p.m.

I would be the last to say that the honourable gentleman is ineffective in this House; quite the contrary. But when he decries the introduction of a motion that is going to allocate time when he and his party have made the express commitment, to recoup a situation they find politically unacceptable, that the bill may not pass as long as there is a rule or procedure they can use to stop it; and when they have said that it is so anathema that no amendments can be permitted; and for him then to say that the foundations of democracy have been interfered with by the introduction of this motion, I will allow you to make your own judgement, Mr. Speaker, because I am not allowed to use the word "hypocrite" in this House.

I am opposed to the motion, and I have said so, and I intend to vote against it. But the responsibility for the motion is not that of the government House leader, the Treasurer or the Premier; it is the responsibility of the member for York South. The fact that the government majority is eventually going to ram this motion through means that for the next 115 years in this House we are going to have our time allocated whether we like it or not, and I say to the member for York South, that is his first mark in the Legislature of Ontario.

My colleague the member for Renfrew North (Mr. Conway) in his response to the points of order dealt with in the House yesterday—and he responded extremely effectively—put down the alternatives that the government House leader might have accepted. I want to deal with them briefly. The first alternative is simply to allow the debate to continue until finally no one has anything more to say and the votes are taken.

We have what I still consider to be new rules in this House. Actually they are not very new any more, but they were accepted on all sides back in the middle 1970s. They mean that on Tuesdays we deal with legislation. It is possible, although sometimes it is difficult to get approval, to carry on with legislation on Wednesdays; but that is a cabinet day, and normally the Tories do not want the House to sit that day. We could even sit Wednesday evening, I suppose, without agreement; but with the kind of procedures that the House leaders' panel has estab-

lished, it is very rare indeed that the House proceeds without agreement on all sides.

I am going to say something more about that because, frankly, it is working very well, and I say modestly that credit is due to all three parties in this connection. I am one of the members of that group—the others are the House leader of the New Democratic Party and the House leader of the Conservative Party—which has been able to work out, on rather good terms, procedures that have served us well for a long time, and I believe they will continue to do so in the future.

But the government can legitimately call the legislative work of the House on Tuesdays only, and it does not take a good deal of skill, particularly when we are in committee and members can speak more than once, for any party simply to allow the debate to go on indefinitely. It has been particularly offensive in this connection, since the New Democratic Party has stated this as its commitment, and we might as well accept it as straight goods, because that party is not drawing back from it in any way: The bill shall not pass, and it is unamendable. This means that after 142 hours of consideration, we are still in the House dealing with section 1 of the bill, the definition section.

We might as well assume that the bill can be bottled up forever, and it does not even take a lot of parliamentary skill or energy to do that. So to allow the House to continue indefinitely would be a possibility. We have gone for a long time. There is nothing—I almost used the wrong turn of phrase there; there is something sacred about Christmas, but that is just another holiday, and presumably we could do what my good friend the member for Stormont, Dundas and Glengarry (Mr. Villeneuve) suggested to me over breakfast. He said, "We can sit right up to December 24, take Boxing Day off and be back to do the work of the House."

Frankly, I hope that does not happen, because I have a few plans myself, but there is no reason why it should not. We are paid month by month, every month, and sometimes, although we cry about how overworked we are, there is no reason the business of the province cannot continue into January and February. I feel it is unnecessary but if it has to happen, certainly it will. My own feeling is that the stated position of the New Democratic Party is such that there is not much sense extending it into January and February, because we will hear the same material we have been listening to now for two and a half months.

The second proposal was that the House leaders' panel could deal with it. I say again that I feel the House leaders' panel is an extremely effective innovation compared with the time when I was first elected. The Premier of the day was his own House leader then and if he felt like it he would rise on adjournment and say, "Tomorrow we will do thus and so." When he felt like it he would say; "Tomorrow we will do anything on the Order Paper", and that was it.

The Order Paper we have before us daily is like a book, with all sorts of bills, resolutions and other material on it. In those days, while it was not as thick, there was just as wide a variety of material. It is much better to order the business with the kind of co-operation that has been the hallmark of the House leaders' panel over the past number of months and, in fact, since its inception.

But when the policy of the New Democratic Party is that the bill shall not pass and shall not be amended, there is not much the House leaders can do other than try to work certain other pieces of business around that. In fact, the New Democratic Party has been as co-operative as it could be to have that happen. There is no problem about that. I am simply saying that to think the House leaders are going to persuade the New Democratic Party to back down or the government to withdraw the bill is naïve and absurd and that alternative is not available.

The third reference was that the matter could be sent by this House to the standing committee on procedural affairs, our rules committee, to be dealt with in some way. I do not think that is practical. Obviously the procedural affairs committee has the same composition as this House as far as parties are concerned. Since the commitment of the New Democratic Party is that the bill shall not pass and shall not be amended and the government's position is that it shall carry, then obviously the debate would simply extend into the procedural affairs committee and nothing would come out of it.

I know the procedural affairs committee has already given us a report that was tabled today giving certain recommendations for time limits on speeches. As I have droned on now for 20 minutes, Mr. Speaker, you may want that applied either retroactively or its opposite.

But sending the matter to the procedural affairs committee is one of the alternatives that is not practicable. If we are going to change our rules using the procedural affairs committee, it has to be done in peacetime; it has to be done

with as much co-operation and good feeling as possible.

I would be very surprised if a time allocation rule came out of the procedural affairs committee that would be acceptable to the opposition. After all, we have done the work here for 115 years without it, with only rare utilization of the closure procedure. It is disappointing to me that we cannot continue with the same sort of respect for the democratic process and the understanding of what is necessary for people on all sides.

I am disappointed that we now are forced by the intransigence we have observed in this matter to have a time allocation rule facing us. The closure rule itself could be used. If I were to make a choice, I would never recommend its use. I say again—I suppose for the fourth time—it is very rarely used here. Still, it would be better than a procedure that is not a part of the rules.

In fact, the argument put by the government and upheld by you, Mr. Speaker, is that it is in order because it is a procedure and not a new rule, which is something worth thinking about. But if opposition is going to be of the type we have experienced, then closure will simply cut it off completely.

4:40 p.m.

Frankly, I think people on all sides are deeply concerned that the chances are this bill will never be reviewed clause by clause with an eye to placing amendments. There has not been much room for us on the issue of Bill 179. We are supporting the principle of it and we shall continue to support the principle of it. We believe wage restraint is essential and we have said so. We have indicated, however, that there should be a broader application involving prices. We have said to anybody who will listen, including those who support our contention, that the five per cent limit should apply to hydro rates, rents and doctors' fees. Who would oppose that in the New Democratic Party? No one.

The fact the government may not accept those amendments does not mean they should not be put forward for argument or that the official opposition, elected like other members of the House, should be denied, by the intransigence of the New Democratic Party, its opportunity to put forward its view of the issues, have it debated and have it voted on by the elected members of the citizens of this province.

I deeply resent it, and the responsibility for it lies with one party and one man. I do not mean

the Conservatives, and I do not mean the government House leader.

There are other matters that should come before the House for amendment. The Treasurer knows they need amending. The lack of due process in the Inflation Restraint Board is obvious. The member for Riverdale (Mr. Renwick) made one of his better speeches, in my view, when he brought this to the attention of the House on second reading and indicated that he advised the Ontario Federation of Labour to enter into a legal proceeding on the basis of the charter in the Constitution since due process was not a part of the bill. This is a matter that must come to the attention of the Legislature for review and, in my view, for amendment.

There are at least two areas involving teachers themselves which have nothing to do with the removal of the five per cent restraint on their pay for one year. They have to do with the unfair effects of the bill on teachers approaching retirement and on teachers who have upgraded their classifications and will receive no money for that, even though they have committed many dollars and much time to the upgrading. Those are the matters we feel the House can come to grips with and repair by way of amendment. This has been denied by the New Democratic Party.

As far as I am concerned, one advantage over ordinary closure in the motion before us put forward by the government House leader is that it does assign some specific time for amendment and clause-by-clause review. At least it has that advantage over closure. But even that opportunity is to be denied us by the intransigent position taken by the New Democratic Party that the bill must not pass and is unamendable.

I regret very much that the House, after more than a century, has been brought to this position. I recall to the minds of the members that great leaders of the New Democratic Party, and those of other parties as well, have coped for many years with their responsibilities in the face of issues that have changed. They have always been able to accept the concept that we can do our business in this House and that we can support our principles without forcing the House into a situation involving closure and the allocation of time.

Unfortunately this situation, which now has gone on for two and a half months, has meant that the government cannot continue. I regret that very much. I shall certainly vote against the motion that is before the House.

Mr. Mackenzie: Mr. Speaker, I rise to speak in opposition to the closure motion. I oppose this motion just as hard as I oppose the insinuation of blackmail that seems to be creeping into the rhetoric of some members of the government party and the other part of the 103 Tory members who sit to my right.

I was pleased to have the admission on the record a couple of nights ago by the member for Windsor-Walkerville (Mr. Newman) that my arithmetic was wrong when I said there were 100 Tories, and he said, "No, there are 103." It certainly tells us where the opposition is.

I am a little disappointed in the former leader of the Liberal Party. Referring to the latter remarks he made, laying into us for the tactics we are using on Bill 179, I remind him that Bill 127 is almost in the same kind of procedural, tactical battle. There the Liberals are participating. I do not know whether they can be that selective in exactly what they want to do.

I am also rather surprised that the frustration and anger of the former leader of the Liberal Party against the trade union movement and its leadership are still so great. The other evening in the House, we heard similar remarks from a number of his colleagues. I understand his feelings. He led his party in three elections against the Tories, looking for the premiership of this province, and he failed in three elections. I know he puts a large part of the blame on the fact they were never able to get labour and worker support in Ontario. He seems to feel that they shot him down. He would not get the premiership with the position of his party on this current bill either.

I want to make it very clear that he did not get the support of labour and workers in this province because they did not think they could trust him and they did not think he understood their problems. That is why he never earned their support officially. He did not need very much to put it over the top a couple of times. But he sure as hell never earned it.

What justifies such a move as the government has taken with this closure motion?

Hon. Mr. Ashe: Two and a half months of stalling.

Mr. Mackenzie: Let us take a look at that. I am perfectly willing to take a look at that, because I do not want to escape any of the blame whatsoever.

From the time the government brought this bill in, on September 21, it was obvious to me that what they had was a bill that was going to cause one hell of a lot of problems for workers in

the province for a long time to come. It was a bill that was stripping the fundamental rights of workers; that is what was at stake with this bill.

The old adage that a bargain is a bargain did not mean anything any more. The bill said to me that every citizen in Ontario could start questioning what the word of this government is worth. Should we trust them on any given commitment or bill or contract?

I found it offensive that we were zeroing in on 14 per cent or 15 per cent of the people, on one specific group of workers, and that we were willing to rip up those contracts and negate their rights. I could be a lot stronger than that. But to me, it was a fundamental issue. It was an issue that I went to my caucus with, and I am proud there was no opposition from my leader and caucus colleagues. They said, "This is one bill we have to fight, and we have to fight it every step of the way."

I want to make a couple of comments about that. The government argues—and I dismiss it, because the Liberals obviously are entirely a part of the government on this issue—that we have stalled the legislation in this House long enough, that we have carried it for two and a half months. Well, they do have a majority and they have been able to order the business of the House; so there is no reason at all that they could not have done anything else that was vital.

For example, take the issue of injured workers. I find it amazing that even though we have known for more than a year that there were problems in this area and that submissions were being made to this government months ago—we have had demonstrators on the lawn for weeks—this government could not find time to move a bill to give them the assistance that even the government admits they are entitled to and desperately need. We could not find that time, but we can criticize the New Democratic Party for deciding that we do have a basic issue that we have to tackle.

This closure motion says we have gone far enough. I ask this House, what is far enough? Is there not a flip side to that coin? Is there not also the question of exactly what is at stake in this bill? What does it do to people? When do you quit fighting something you feel very strongly about?

We have made too many little gentlemen's deals and we have been too quick to back off from some fundamental issues. I ask members to name an issue that has hit this Legislature with more scope for causing us trouble for months and years to come, other than maybe

the police state bill of a number of years ago, and that is going to have the effect this legislation is going to have in Ontario.

4:50 p.m.

If the question of whether we have stalled the House too long does have a flip side, what we have to take a look at is how important is the legislation. We have the government's word that it is vital; they need it, because it is part of their anti-inflation program. I ask all the members of the House—the Tories on this side, as well as the Tories across the way—what hard justification have we been given in any of the debates to do something as fundamental as destroying a legal, binding and freely negotiated contract.

Mr. Boudria: You tried to destroy parliament.

Mr. Mackenzie: No, we did not. We may be trying to protect it, my friend.

What does this bill do? What case has been made? Does it deal effectively with inflation? I am not enough of an expert in economic matters to know whether it will have some marginal effect in terms of what kinds of municipal taxes may have to be raised, or in terms of workers if you are cutting back on their wages. But I do say that nobody—not in the hearings we have had in this House, and not in the Treasurer's opening statement—has made a hard case that really tells me it is going to do a thing in dealing with the problem of inflation.

I suppose one could argue two ways. But the several hundred million dollars that will be pulled out of the pockets of mostly low-wage earners in Ontario—because the bulk of public and civil servants are in the under-\$20,000 category—might be considered a brake on inflation. I am not sure. I cannot see it, simply because these people would spend every cent they get. They are not the ones who cause inflation. They are the ones who purchase goods and services. Those goods and services are what might put a few people back to work. I argue that one could make a strong or stronger case that this is going to cause problems, not cure inflation.

If we are looking at the closure motion and arguing as to whether we have taken too long, we also have to ask, "Is part of the fight that we are making in this House one of whether this bill does anything to create jobs?" These are things they have to take a look at if they are going to challenge us for having stalled this House too long. This bill does not create any jobs, or very few. I do not know how many people are going to be on the board. Certainly Mr. Biddell is

going to have a pretty nice salary, but where are the jobs it creates?

It is also argued that this bill may preserve jobs. The indications are that in the public sector we are seeing layoffs increase, not decrease. That was one of the rationales for the bill as well, that at least they had some kind of security. Where is the evidence that with this kind of cutback we are going to create more jobs in Ontario?

Is it proper or just in its selective imposition? That, I think, is a fundamental question when we are told: "Okay, you have carried out the battle too long. We have to move closure to stop you." The government has decided that the scapegoats, the group in society it is going to hold responsible and use the hard boot on—because that is what it is doing to this group—are the public sector people.

A serious question of whether it is proper or just is raised. It is a very selective imposition of blame and a very selective imposition of a guilt trip on one group of the workers in Ontario. One of the arguments also made was that this bill might help the Treasurer in dealing with inflation and the economy. But is it just to raise money to cut his deficit by the imposition of this legislation on one group of 14 per cent or 15 per cent of the population through the rather serious cutbacks that will be made in the salaries they would get in the second year of their contracts, or in the one year if they have not yet signed, and go automatically to five per cent?

The Acting Speaker: The honourable member should tie his remarks to the motion.

Mr. Mackenzie: I am trying to do that, Mr. Speaker. I am making the argument for the flip side of the coin.

The Acting Speaker: I think you are going off.

Mr. Mackenzie: When the Treasurer made his appearance before us—and he was not there that long during the hassles, and I understand some of it too, when we were into some procedural hassles—one of his very few comments when we asked him what he was going to do with this money was that he had a number of options. He did not say that he was going after jobs. The only option he mentioned in committee, and I am sure the member will remember this, was that he could use it to reduce his deficit. Is that a just imposition of what is in effect a tax on one group of people?

If a case has not been made for this bill by any of the speakers so far or in anything we heard in committee or during the clause-by-clause peri-

od, we certainly heard a case made against it by an awful lot of people, the overwhelming majority of the more than 60 or 70 groups that came before our committee. If a case has not been made, when is it wrong to continue to fight to delay legislation? The other side of that is, when do we stop fighting it?

Surely this motion of closure leads to the other side of the coin. This legislation has far-reaching and devastating effects on the workers in this province. Let me outline one or two of the ways it will. If it has this kind of effect on workers, and I will go so far as to say the future of social and economic order in Ontario is to some extent at least at stake as well, then is it not equally wrong that a party should stop opposing legislation with such a basic effect?

This bill negates rights. Are they starting to become less important in Ontario? Is a contract not a contract or a deal not a deal, legal and binding, negotiated as much as a year ago in some of the cases where the government is ripping them up? Admittedly a lot of people do not like the right to strike, especially when it is held by public sector workers, but it is something we have accepted and it is a right that something better than half of them in the province have. Is it right totally to remove that from those workers? It took a lot of years to gain it. That is one of the effects of this bill, and that is why we have to look seriously at the effects of this closure motion and what this government is doing.

The alternative for those under the Crown Employees Collective Bargaining Act in this province who never had the right to strike is arbitration. They lose that, and not only they but those who have the right to strike. Sometimes one went to arbitration rather than the strike right. It was not used that often, but it is removed. That is a removal—

The Acting Speaker: The only problem I am having with the honourable member is that his remarks are to be on government resolution 10 and not on the bill itself.

Mr. Mackenzie: Mr. Speaker, I hope you recognize the speeches that have gone on here today. I think mine is more directly on it, because I am pointing out when it is time to move closure and when it is the obligation of an opposition party to continue the fight on a bill. I think that is fundamental to this argument.

This bill also makes second-class citizens of one class of workers. Is that not something all of us in Ontario should abhor? It really does. It says: "You do not have the same rights if you

happen to be one of that 14 or 15 per cent of the population who are public sector workers. You do not have the same rights at all." It gives powers we probably have never given before to one man, in terms of any kind of appeal on the limited grounds there are for appeal in the powers it gives to the Inflation Restraint Board and to Mr. Biddell. He does not have to give a reason. He gives no written judgment.

My golly, when have we seen that kind of authority in the hands of one person? It is a destruction of legally binding contracts, freely negotiated. It affects 106,000 teachers in Ontario. Do we stop fighting this bill because the government thinks we have stalled it too long at this point?

There are some fundamental problems. One of them was mentioned by the past leader of the Liberal Party in terms of teachers and their pensions. I might remind him it affects a number of other workers whose pensions also will be affected because their wages are restricted in the last two or three years of their employment period prior to taking pensions. It has an effect not only for the period of this control but also for years down the way. It could be as much as 15 or 20 years if they live that long after retirement. We are doing that to them as well. Is that not a fundamental right we are destroying in terms of workers?

Is there not a danger in legislation that says hospital workers, who in this province earn an average of less than \$18,000, are going to have the kind of cutback they will have in the second year of their contract as well as having, in effect, no right to arbitration, no right to strike and no right of appeal? That is a very basic and fundamental attack on the rights and freedoms and benefits gained to date by workers in Ontario.

5 p.m.

What incentive is there for workers to exercise their right to try for free collective bargaining through organizing a union of their choice when they know that for at least the next year or two their rights have been stripped away from them by this bill? Should we be trying to stop that from happening, whatever the odds? There is obviously only one group of us trying to do it. So we should take the blame. I welcome that, if that is the argument.

But my argument is that there is an obligation that is every bit as strong on opposition members in this House to continue to oppose this bill with its dangerous ramifications, with its threat to future law, order and security in this country;

not to let it go through but to continue to oppose it. I would be ashamed if we stopped. As far as I am concerned, it is a matter of every measure and every minute that we can put in to try to stop it and I hope that the public will rally.

I can understand if people are afraid. That is another thing that bothers me about the imposition of government notice of motion 10, or whatever this closure motion is called. It bothers me that it is done, just as this legislation was brought in: because there was a feeling that the climate of fear was already strong enough in this province and in this land that they could get away with this kind of—nobody can really argue the point—this kind of destruction of the rights of individual workers.

In a letter from the Most Rev. John M. Sherlock, Bishop of London, which appeared in the London Free Press on November 9, there are a number of important paragraphs, but I will quote only one, because it deals with what we are doing here in terms of legality and it should be read into the record. He talks about the difficulty of coming to terms with our economic problems.

What the Bishop of London says is: "No solution, no matter how justified its goals, is acceptable if it violates the norms of justice. Bill 179 appears to risk doing precisely that."

People have missed the idea that we, certainly I, feel strongly—

Interjections.

The Acting Speaker: Order.

Mr. Mackenzie: We are moving a motion of closure to start a two-day process that ends the debate on a bill that does all of the things I have said. I have heard no challenge to that. I have heard no justification for what it is supposed to accomplish. That is the flip side of the coin.

If the bill has not been justified, if no answers have been given to the questions we are asking and if it does these things to people, I ask all members in this House how the argument can be made that somehow the opposition, who have disturbed things for two and a half months, which is longer than normally happens, and who have used some of the rules of the House to prevent it from proceeding, should roll over and play dead?

It is just too fundamental. That is the point—obviously I cannot articulate it well enough—but it is the point that is being missed by members of this House. I also think it deals with the legality of it.

I will quote from the last paragraph of Bishop

Sherlock's letter: "...the fruit of free decisions of those concerned, taken with full independence in regard to political power..." We have no difficulty in agreeing with the application of this principle in Poland where Solidarity has been suppressed by a totalitarian regime. The principle also applies in Ontario and the provisions of Bill 179 and their subsequent application must not violate it."

Are we, or are we not, violating the rights of 15 per cent of the workers in Ontario? That is why I am still on my feet and why my party is—and I hope it remains—opposing this bill. To oppose it we have to oppose certain steps, and the step that we are facing right now is government notice of motion number 10. It would be an abrogation of our responsibilities to quit.

We have been pretty busy the last few days and I did not take the trouble to go to the library to dig up some examples, but all of us could very quickly find examples throughout history and in more modern times where people have stopped fighting for their rights. Quite often, and usually in those countries where we have ended up either with a communist or totalitarian dictatorship, it has been the workers, and too often people have been too quick to sit down and stop fighting when there has been something that is fundamentally affecting their rights.

That has happened all too often, and all too often we have thought: "Hey, we want to get home for Christmas. We have tied this place up for a couple of months. Isn't it time to quit?" The government comes along and says: "You people are repeating yourselves. You do not make any sense. You have not made the arguments on the other side of the coin effectively at all, but we need this particular legislation and we are willing to do this kind of damage to people and to the fabric in terms of labour relations in Ontario."

Maybe nothing will happen. Maybe people in Ontario are so scared, are so afraid, that they will not remember this. Unfortunately, I do not think that is going to happen. I think we are going to have bothers and problems next May or June as people have their contracts reduced and as people begin to realize that already the psychological effect of this legislation, which is what was intended, is affecting the private sector bargaining—and that was part of the package—and they begin to realize that one group of people was used to club the 85 per cent who are not directly affected.

One of the reasons we have not as yet had

mass demonstrations of people in this House is that most of the people do not understand what is being done to them, or the implications of it, and they are those who are not directly affected. It is starting to reach public service workers across this province.

Those are the things that bother me. What also bothers me is how this kind of a motion to close debate on an issue as important as this seems to psyche up people in terms of, "Hey, now is the time to get back at them." If we can destroy mass contracts and deal with 500,000 people as we are doing with this particular bill, how easy is it to ignore an arbitration award in the case of the forester, Mr. MacAlpine, which said: "Hey, you may have made a bad judgement and it may have cost him a week's pay, but what he did was not fundamentally wrong. He was concerned about Ontario and what we were doing to our lumber resources or our timber rights." The minister gets up and he is going to prosecute, he is going to try to overturn that award of an arbitration board. What is the next step?

I am simply saying I get worried. If the government gets away with a mass move like Bill 179, I get worried about how it is going to use it and who else is going to suffer as a result. I am deadly serious when I tell you, Mr. Speaker, and when I tell this House, that what they are doing is wrong. The bill is wrong. The bill is selective. It is mean, it is vindictive, and the closure motion brings us to within two days of the end of a fight for these kinds of people. That fight should not end, and any opposition worth its salt should be saying that what the government is doing is wrong, we are not going to let them get away with it and we will fight it down to the wire.

I do not see that as obstructive at all. I see it as an obligation that I have, as one who feels strongly about something, and anybody with an ounce of reason and common sense should feel strongly about what the government is selectively doing to one group to make it the scapegoat in this economic situation in Ontario.

This closure motion should not have been put. It should not go ahead. This bill should not go ahead, but at least there is nothing wrong at all in continuing the fight against such despicable legislation. A shame on all members who would be party to such an abrogation of the rights of workers in Ontario.

Mr. Riddell: Mr. Speaker, I did not want to rise until the member completed his speech, but reference was made to Bishop Sherlock, a

person with whom I have corresponded many times. I want to tell the member that I represent a riding consisting of many Catholics, and many of them have made a point of telling me that they do not want to be associated with the remarks that were made by Bishop Sherlock in connection with the restraint program.

5:10 p.m.

The Acting Speaker: That is not a point of order. I suppose you made a point of clarification.

Mr. Breaugh: Mr. Speaker, since you allowed the member for Huron-Middlesex to put that on the record, I have to respond by saying I am a Catholic. I have talked to a number of Catholics who feel very strongly that both Bishop Sherlock and Cardinal Carter were eminently correct and gave a very wise opinion on this matter and one to which all Catholics will subscribe.

Mr. Kolyn: Mr. Speaker, as a member of the Progressive Conservative caucus, I am pleased to have a chance to speak on this motion.

Let us take a look at the speaking record on Bill 179. From the introduction of this bill on September 21 to the end of November, members on this side of the Legislature have spoken for a total of three hours and 55 minutes on the merits of Bill 179. Let us keep these figures in perspective. The party with the majority, the party with 70 members sitting in this assembly, has spoken for a little less than four hours.

What of our friends opposite? The Liberal Party, with 34 members, has managed to speak for 13 hours on this legislation. In those 13 hours, all they have managed to do is to waffle on their own policy of complete wage and price controls and to say they agree with the government in principle. The Liberal position must be pretty complex if it requires 13 hours to say only that.

Then there is the New Democratic Party, the party that calls itself "new" and "democratic." The NDP is represented by 21 members of this assembly. They came in third in the last provincial election, but in the number of hours taken up in this assembly debating Bill 179 they came in first. They have debated this resolution for nearly 30 hours. What has occurred during those 30 hours? Have we seen the development of policy? No. Have we seen any shift or move to compromise? No. Have we seen the discussion of new, positive approaches to meeting the challenge of restraint and keeping the costs of government down? Again, the answer is no.

What is the NDP stand on Bill 179? Is this a filibuster? It seems like a filibuster. Looking at

the record of debate in this Legislature, it certainly reads like a filibuster. But when members of the Queen's Park press gallery call the office of the member for York South they do not get a straight answer when they ask if, indeed, this NDP tactic is a filibuster. What answer has the press received? All they want is a straight yes or no answer. What they get is an emphatic, "No comment." What an answer. What a courageous stand for the leader of Ontario's socialist party to take.

Does he have principles, does he have a policy or does he merely have a party game plan? The answer "No comment" says it all. Now the New Democrats are going to say they have not had enough time to have their say. They have not had enough time, even though their deputy leader, the member for Port Arthur (Mr. Foulds), is reported in the *Toronto Star* as having paused in the midst of oratorical flight to ask the Speaker to remind him what he was supposed to be talking about. Maybe 30 hours is a lot shorter time than we think.

Earlier this fall, we saw the government bow to the wishes of the opposition parties and allow Bill 179 to be fully discussed. With the agreement of all parties of this assembly, the bill was sent to the justice committee for 35 hours of public hearings, as well as clause-by-clause examination. What was the result? The public hearings were dominated by representations from local unions and teachers' federations, all encouraged by the NDP. Nevertheless, the Progressive Conservative government of this province was, and is, determined to see democracy served. Therefore, more than 75 per cent of the briefs presented to the committee, although they were repetitious and offered nothing new, were heard in those 35 hours.

On the final day of the public hearings, Progressive Conservative members on the committee were willing to stay past the allotted time to hear additional submissions from the public. What was the response of the opposition members? Those guardians of democracy called the chairman's attention to the clock, effectively closing off public submissions by forcing the committee to adjourn. That evening, New Democratic Party members must have been more concerned about their dinners than about democracy.

According to the agreement among the House leaders of the three parties, clause-by-clause examination of the restraint package was to proceed after the end of public hearings. This did not occur. The NDP members of the

committee—aided, I should point out, with knee-jerk precision by the Liberals—brought the process to a standstill through an avalanche of repetitive, irrelevant procedural motions and deliberate time-consuming processes.

After three weeks and almost 42 hours of procedural interruptions—I will not say filibustering, because that will only provoke the member for York South to rise on a point of privilege and shout, “No comment”—the government members on the committee decided enough was enough. The committee was already past the hour of recess, although the NDP members had yet to notice the time. Perhaps they were not as hungry for their dinners as they had been several days earlier.

The government members decided to send Bill 179 back to the assembly with not one article of the bill examined. What a shameful record and what a waste of public resources. One of the most precious assets we have in government is time. Responsible politicians on both sides of this assembly say that they could always use more time to study and offer positive discussion on legislation. But to see the time of a committee of this Legislature and of the Legislature itself frittered away is disgraceful.

Is democracy being served by this obstruction? The NDP would no doubt be the first to say yes. I would be interested in hearing what the Liberals have to say in matching their words with their actions over the past weeks. What has the NDP accomplished through this obstructionism? Have they won the support of small business? Have they won the support of farmers? Have they won the support of workers in the private sector? No, they have not won support since they have taken on their goal of depriving this province of responsible public sector restraint.

For whom does the NDP speak? No, not the people. They speak for the union organizers and the Ontario Federation of Labour bosses. Watching NDP tactics over the past weeks and months reminds me of a cartoon character my children used to watch on TV. The NDP have been sliding all over the rule book like the clay puppet Gumby, and clip-clopping behind them has been their procedural sidekick Pokey, once known as the Liberal Party of Ontario. What a spectacle: the Gumby party and the Pokey party, both doing the bidding of an offstage Mr. Hands, who has been unable to muster enough support in the private sector to make a good rally against restraint.

Interjections.

The Acting Speaker: Order, please. I am having difficulty hearing the member for Lakeshore with these comments and interruptions. Order. I can stand here for a moment or two, but would you please just gather your thoughts and keep them to yourselves while the member for Lakeshore has the floor.

Mr. Kolyn: The member for York South will say that there are important principles at stake in the discussion of Bill 179. He talks about the inviolability of contract between workers and an employer. He says Bill 179 makes a mockery of contracts in the public service.

I admire a man of principle; I admire a man of consistent ideals who is willing to risk all to defend them, but the member for York South is not one of those men.

Earlier, he suggested to this House that the contracts between borrowers and financial institutions be thrown out and renegotiated every time the interest rate goes down. In this case the member for York South has few scruples about overturning a contract. He claims a deal is a deal; his words show, however, that a deal is no deal unless there is a party advantage to be gained.

Let me deal with this point for a little longer. The member for York South says a deal is a deal is a deal. Let me remind all members that this House proceeds under regulations and agreements as it does its own business. The NDP flouted the direction given them in committee, where a resolution had been agreed and passed.

If he turns to Votes and Proceedings number 96 on page 609 there is a motion by Mr. Wells: “That the standing committee on administration of justice hold two weeks (approximately 33 hours) of public hearings regarding Bill 179.” It also says: “. . . with public participation ending on November 1; and that normal clause-by-clause consideration of the bill start on November 2, 1982. . .” We went into a procedural wrangle from November 2 to November 24.

5:20 p.m.

Mr. Martel: We just wanted some cabinet ministers to answer some questions. You would not allow it.

The Acting Speaker: Order.

Mr. Kolyn: I would like to deal with the honourable leader of the third party objecting to when the Liberal Party rang the bells in the Legislature in the spring. I have here a direct quote. We have heard some indirect quotes but I would like to have the direct quote of the leader of the third party. He said: “I am always

concerned when any group of individuals unilaterally hijacks or imposes a pattern of conduct on the Legislature. I do not like it when government does it, I do not like it when anybody does it." Those words must taste funny in the honourable member's mouth now.

In March 1981, the people of Ontario made a deal with the provincial politicians of all three parties. Through their votes, the people indicated how they wanted the affairs of Ontario to be run. After having the opportunity for a fair hearing from the leaders of all the three major parties the people chose the Progressive Conservatives to be their government and awarded the government a majority. A deal was struck. The people said, "Let the PCs govern and in four or five years we will pass judgement on their performance."

The deal that was struck among all members in this chamber was to do their duty to see the province is well governed. I say the deal is being violated by any party that takes the rules that this assembly provides to ensure fair debate and twists them for party advantage. When this occurs, democracy in our province is put on trial; when this occurs, the deal that is struck between the people of Ontario and their politicians is violated.

The honourable member opposite said a deal is a deal. I ask him now to live with the deal that was struck on March 19. I ask him to live by that commitment to work for the benefit of all Ontarians that each member of this Legislature knows is fitting conduct for an MPP. I ask him to end this juvenile policy of abusing the rules and show mature leadership in debate on Bill 179. Let us have an honest debate on this question. Let the voice of the people be truly heard, not stifled by procedural wrangling. Let all members from all sides of this assembly show the responsibility and leadership the voters of our province expect and deserve.

Mr. Roy: Mr. Speaker, I am sorry such a debate as this has to take place. I listened to my colleague the member for Brant-Oxford-Norfolk this afternoon and I have read the contributions to the debate that my colleagues made yesterday, and I think it is unfortunate a precedent as important as this one has to be discussed in this assembly.

As my colleague has said, in all the history of this House we have never had a time allocation motion and the process has worked quite effectively. I recall times when, with the leadership given by the government House leader on different occasions—now that we have as House

leader the member for Scarborough North (Mr. Wells) and in the time of his predecessor—that basically the House has worked quite effectively on the basis of agreements made for the division of time and with that sort of an approach.

I can recall it was not always that simple. I can recall the former government House leader Eric Winkler at times made life very difficult. I do not want to denigrate any member who is no longer in this assembly, but I can recall that, because of him, the Christmas period, or the end of the session, was always made very difficult. We got ourselves involved in a situation where he wanted to pass everything that was on the Order Paper within the next 24 hours. We used to sit very difficult hours. There was a lot of acrimony. In fact I have not seen as much acrimony and shouting as went on in those days until I witnessed what went on here this afternoon. My tenure in this assembly has been relatively short—only a matter of 11 years—but I find this one of the most distasteful debates.

Though many of us understand the motivation of the government in bringing forward such a motion, there are other ways we could have dealt with the process so that we would not have had to establish a precedent. Over the long run, unfortunately, as these things become easier to accept, it may become the rule rather than the exception to put time allocations on such debates.

I listened to the concern expressed by the leader of the third party, the member for York South (Mr. Rae), about discussing such an important motion in the atmosphere of what has taken place since September 21. He did make the point that such important rule changes should be discussed when there is more time, more effort at having a reasonable and rational debate, and weighing all the consequences of proceeding in such a fashion. He said such a debate should not take place at a time when there is such acrimony and frustration on the part of all members in this assembly caused by the actions of the third party.

He is quite right in the sense that it is unfortunate the government is taking advantage of this acrimony and frustration to bring forward a motion that is as distasteful as this motion is. My colleagues and I, even though we fully understand the frustration, will be obliged to oppose such a motion. I do not think any opposition could accept such a motion.

The suggestion was made this afternoon by our House leader to the government House leader that he might make another type of

motion that would follow the accepted precedents. I know the government House leader will tell us this motion was an attempt on the part of the government to allocate some time in order to consider the Liberal amendments to this legislation. We know full well, unfortunately, that what has taken place since September 21 will not permit us to put forward our amendments.

Given those circumstances, if debate is to be cut off or stopped, if discussions on this bill are to be curtailed, they should be curtailed according to the rules that exist at present in the House, and a precedent such as this should not be created. We say this sincerely to the government House leader. We hope some reconsideration will be given to the actions of the government at this time.

In no way do I accept the hogwash I just heard from the member for Lakeshore (Mr. Kolyn). His speechwriter has to be somewhere else. The member should have written the speech himself.

The record should show the member is pointing to his chest and saying he wrote it himself. The member should have created some distance between the author and the speaker on this occasion. On this legislation I would not take any pride in uttering such nonsense.

5:30 p.m.

I sat in on some of the committee hearings and I have seen what has happened here since September 21, 1982. Never have I witnessed such irresponsible action on the part of a political party.

I have some trepidation in attacking the NDP. I used to do it with a lot more enthusiasm and greater joy. In my foolishness I used to think the enemy was on the side to my left instead of that side over there—until after a few elections, the 1975 and 1977 elections, when we were taken advantage of by the government. It took some time for those of us who are somewhat thick-headed to realize the enemy is on that side over there. So I have tried to constrain my attack on the NDP, saying that even though some of us—

Mr. Kerrio: They are in a weakened condition as well. You cannot kick at somebody as sick as they are.

Mr. Roy: My friend from Niagara Falls makes a good point. You do not want to kick someone when he is down, and they were down for a period of time.

The Acting Speaker: The honourable member should be speaking to government motion 10. I have not mentioned it yet, but I look forward to your—

Mr. Roy: I am speaking to the motion. It is with some measure of trepidation that I attack the NDP for their actions in being the cause of this motion. I know it makes you feel better every time I mention the motion, Mr. Speaker—I will keep coming back to it. If during my discourse here this afternoon I do not mention the motion occasionally, I would appreciate it if you would return my attention to it.

Having listened to the member for York South, I feel the tears he was shedding this afternoon might be considered crocodile tears. He said he felt terrible the government was bringing in this motion that would create such a terrible precedent, but he was not accepting any of the blame for having caused the action of the government.

After the government House leader brought in this motion yesterday, I am told, the NDP had its Christmas party last night and they were all congratulating each other and saying to themselves, "Finally, we are off the hook on this one." I think the government House leader has put smiles on the faces of the members of the third party. They are off the hook now. They can go back to the union bosses and say, "We fought a good fight, did we not? We went right down. But, you know the government, with its huge majority, brought in this dictatorial motion and it has cut off all further debate."

Interruption.

The Acting Speaker: If there are any further distractions from the galleries where people are our guests, I will have to clear the galleries.

Mr. Roy: I had not realized there was any distraction from the galleries. Do you realize that if through my discourse there is spontaneous applause, it is not out of any organized type of celebration, but out of spur-of-the-moment reactions from these people to what is going on in this assembly?

My colleagues have talked about, and I have mentioned as well, that although the NDP leader has made comments on it and their critic, the member for Hamilton East, spoke about it this afternoon, they really are off the hook. They were hoping months ago the government House leader would have to do something about their irresponsible conduct.

They were hoping he would cut off debate much sooner than that. I can imagine they were saying to themselves, "My God, they are tolerant; the people of Ontario, the other members of the assembly, the government are extremely tolerant." But finally he has acted. Even though

they will feign righteous indignation, I think that in their hearts they are all saying, "We are going back to tell the union bosses we have fought the good fight, but these guys cut off debate."

Members have referred to the time that has been taken up by this bill, something like 140 hours of debate on Bill 179, and the need for this particular motion. My colleague the member for Brant-Oxford-Norfolk also mentioned that if the issue was such that there was strong public support there might be some merit to what was going on here. We have talked about the fact that the union bosses have made strong speeches about this legislation. We have talked about their attempt to rally public support—"Come on in here and listen to the debate; make rallies outside."

I can remember and so, I suppose, does the House leader—who goes back a few years—the rallies we had out there when we were discussing teacher legislation. That was the type of demonstration that made the government think. That was an example of marshalling public support to show, in that instance, the public cared that the rank-and-file union worker was passionately involved in that particular legislation.

Mr. Mackenzie: Why do you hate workers so much, Albert?

Mr. Roy: That member has the effrontery to ask me why I hate workers. I sat on the committee and tried at different times to participate in the dialogue that was going on, and observed the charades and childish approach of that party.

Mr. Mackenzie: You were there two days.

Mr. Roy: Do you know what I would call their actions? I would call them a leather-jacket approach to democracy. Whenever anybody else wanted to say something about the bill, they were intimidated by shouts or with stuff like, "Why do you hate the workers?"

Mr. Speaker: Will the honourable member address his remarks to the chair, please? On the motion.

Mr. Roy: Yes, Mr. Speaker. You will understand that now you are in the chair it is more interesting for me to be speaking in that direction. In no way do I want to say anything about the previous occupant of the chair, but I was being harassed by the members on my left.

What is interesting about the approach taken by the NDP members is that they say, and I have listened to them say it repeatedly, this legislation is so insidious it undermines the fundamen-

tal liberties and rights of our community and the democratic process.

In the time I have been in this assembly—as I said before, it is relatively short: 11 years—never have I seen a party claim that legislation undermines the democratic process while in its whole approach, 22 members, or 21 as it was then—

Interjections.

Mr. Roy: They did not say to the government this legislation was bad and that they were going to try to amend it or speak against it at length. They were not going to talk about every section of the bill. Basically what they said to the government was, "Look, this legislation is bad. We are going to try to amend it," or "We are going to speak against it at length." They are not going to talk about every section of the bill. Basically they said to the government in an arrogant fashion, "It shall not proceed, and we will not even get past the first section of this bill."

5:40 p.m.

So 140 hours later we still have made no progress. I ask very simply what assembly in all the world, what assembly on this planet would tolerate such abuse of the democratic process for more than 140 hours? What assembly, I ask my colleagues to the left, would tolerate such irresponsible conduct on the part of 22 members who were witnessing no public support whatsoever, as we discussed?

Then they said, "Look, this legislation of restraint is fundamentally unacceptable." Yet within that party there is no unanimity. My colleague the member for St. Catharines (Mr. Bradley) brought to my attention the other day, for instance, some comments made by the successor to the present leader of the New Democratic Party as critic, Nelson Riis, who said, and I quote from a statement just in October, "Comprehensive income and price controls are needed to combat the current economic crisis"—

Mr. Boudria: Who said that?

Mr. Kerrio: You don't believe that.

Mr. Roy: You don't believe it? You people think it is Hitler, eh? Some people think it is some right-winger—

Mr. Bradley: On a point of privilege, Mr. Speaker: I have never tried to impute motives to members of this House or suggested that they are misrepresenting the truth, but I simply cannot believe that the successor to the leader

of the New Democratic Party as critic made this statement. I wish the member for Ottawa East would cite the precise article it appears in, because I cannot believe he is telling the truth.

Mr. Speaker: Order, please. The member for St. Catharines does not have a point of privilege.

Mr. Roy: Mr. Speaker, my friend—

Mr. Speaker: Order, please. I ask the honourable member to address his remarks to the chair on the motion, please.

Mr. Roy: Mr. Speaker, the motion, as you well understand, is an attempt by the government to put a time allocation on Bill 179. The bill itself talks about wage restraints, and I just wanted to talk about the fundamental principle of the motion vis-à-vis the bill.

Mr. Cassidy: Like the Liberals in Ottawa.

Mr. Roy: Do I hear the former leader of the New Democratic Party yapping out there—or talking, Mr. Speaker? I thought—

Mr. Speaker: We are not discussing the principles of the bill; we are discussing the motion.

Mr. Roy: I thought they kicked him out of the party, or was it just the leadership?

Mr. Cassidy: I have been around here a lot more often than you, Albert.

Mr. Roy: I must remind my friend as well that when you are in university there are exams at this time of the year. Be steady, my friend. Stick to the exams.

Mr. Speaker: Now to the motion.

Mr. Roy: Yes, Mr. Speaker. My friend the member for St. Catharines makes a good point. I read the statement in the Toronto Star, but I thought it had to be wrong; it could not be that this man says—

Mr. Rae: Haven't you got any better clients today than your own party? Is this the best case you could argue today? Did you take this as a legal aid case?

Mr. Roy: Did somebody call legal aid? Did somebody say a legal aid—

Mr. Speaker: Back to the motion, please.

Mr. Roy: I have an application form for the member for Sudbury East (Mr. Martel). I have had the application form for some time, Mr. Speaker, because I just feel bad to see a member walking around with feathers in his mouth.

Interjections.

Mr. Roy: Mr. Speaker, he may not qualify, because—

Mr. Bradley: Wasn't he attacking a civil servant?

Mr. Roy: That is right. He was attacking a public servant. I think that is terrible.

Interjections.

Mr. Riddell: I am doing very well. You people are dirt in my riding, I will tell you.

Mr. Speaker: Order, member for Huron-Middlesex, please.

Mr. Roy: Mr. Speaker, my friend the member for St. Catharines makes an excellent point. I read this statement in the Toronto Star. I looked at the Toronto Star, and it said:

"Comprehensive income and price controls are needed to combat the current economic crisis, New Democratic Party financial critic Nelson Riis says." I could not believe it, but I kept on reading. "'These are extraordinary times requiring extraordinary measures,' he says, urging Parliament to adopt a fair and equitable policy before Christmas." He said "before Christmas."

I did not quite believe that; so my friend handed me another paper, the Toronto Sun. I said, "If it is in the Sun, it has to be right." There in the Toronto Sun he was quoted:

"Canada should declare a war-like state of economic emergency, NDP MP Nelson Riis said yesterday. 'We are at a point now where something quite extraordinary is needed.'" Then he said: "We need a comprehensive recovery program. If controls are part of that program and are equitable across the system, that is something I think people will accept."

That is what their colleague in Ottawa said, and that is what this party is attempting to do with these amendments: make the program equitable.

I wish some of the union bosses were here this evening. I have not seen the member for Hamilton East go up and shake hands with anyone; so I take it that none of them is around. Because of their actions, because of this motion, amendments will not be brought forward by this party which would have limited rents. I ask the NDP members, are you against rent controls? Are you against that?

Mr. Speaker: Address your remarks to the chair, please, not to the members.

Mr. Roy: Mr. Speaker, they are being provocative.

Mr. Mackenzie: We have not said a word.

Mr. Cassidy: We have not said a word. We are just sitting here.

Mr. Rae: We are finding this provocative.

Mr. Roy: It is important. Do they not feel, for instance, that the doctors should be included in this program? Do they not feel that Ontario health insurance plan rates should be controlled? Do they not feel Hydro rates should be controlled? That is what would happen if the amendments presented by this party were accepted. It would make the program far more equitable and by their actions—

Mr. Cassidy: Mr. Speaker, on a point of order: I do not understand the honourable member's argument, because when we did present an amendment and voted on it, the Liberal Party voted against creation of a fair prices commission.

Mr. Roy: The member for Ottawa Centre (Mr. Cassidy) should get back to the books. This evening that member has failed. We would mark him "E."

With that approach to legislation and that type of irresponsible conduct, it is no wonder that we read this about the leader of the federal New Democratic Party, and my friend gives me the quotation from today's paper: "NDP's Slide in Latest Poll Leaves Broadbent Baffled." Maybe the public is reacting to the irresponsible action of that party.

Mr. Cassidy: Tell us about the Liberal polls for the last year.

Mr. Bradley: Mrs. Broadbent has the answer.

Mr. Roy: As my friend says, maybe that is what is happening on that side. Things are getting so desperate in that party, pretty soon they are going to be consulting the planets.

Mr. Speaker: I do not remember that being in the motion. Back to the motion, please.

Mr. Roy: I will be getting right back to the motion.

The other point I found extremely frustrating about the actions of the New Democratic Party is that basically it has said that this legislation undermines fundamental important rights and liberties. If that is the case and their conduct on this is not hypocritical, they should let the bill go through.

Mr. Cassidy: Are you supporting the guillotine? Are you supporting the motion or opposing it? Which side are you on?

Mr. Speaker: Order.

Mr. Cassidy: He has broken ranks with his party. Are you supporting the motion?

Mr. Rae: He is changing clients in the middle of his case. He can't do that. Which side is he defending?

Mr. Boudria: I think the planets are moving over there.

Mr. Speaker: Never mind the interjections.

5:50 p.m.

Mr. Roy: I say to my friends, if the legislation undermines fundamental liberties, let the legislation go through and challenge it in the courts. There is a new Charter of Rights and Freedoms. There is a charter that has been accepted here as part of our laws since April 1982. The new leader of the New Democratic Party will recall that. They discussed it when he was in the federal House. He will understand that. He will understand that no longer is the Parliament of Canada or the Legislative Assembly supreme.

If they feel that a piece of legislation is undemocratic, if they feel that it undermines fundamental liberties and rights, they should take it to the courts, and the courts will defend the process. Why do they not do that?

The record should show that some of them are nodding their heads affirmatively. The record should show that.

If that is the case, is it not a hypocritical approach on the one hand to deny the passage of the bill and on the other hand to say it undermines fundamental liberties and rights? They are afraid. I take it they are afraid to take it to court.

Mr. Wildman: On a point of order, Mr. Speaker: Is it not a bit hypocritical to speak against the party that is opposing this motion at the same time as saying he is going to vote against it?

Mr. Speaker: That is not a point of order.

Mr. Laughren: It was a good point, though.

Mr. Cassidy: Sitting on the fence again, just like the Liberals in Ottawa.

Mr. Roy: Mr. Speaker, I can well understand the uneasiness of that party.

Mr. McClellan: Cross the floor.

Mr. Boudria: The planets are moving.

Mr. Speaker: Order.

Mr. Roy: They do not want to be democratic. They do not want to let other people talk. They are just like a bunch of dogs barking at the moon—

Mr. Boudria: The planets.

Mr. Roy: Yes, at the planets. They are barking at the planets.

Mr. Speaker: Address your remarks to the chair, please.

Mr. Roy: I make the point again to my colleagues—

Mr. Bradley: The planets are moving. Continue, Albert.

Mr. Speaker: Order.

Mr. Roy: I make the point again and say to them, if the bill is undemocratic, if it undermines fundamental freedoms and liberties, take it to the courts.

Mr. Breagh: That is what they said in Poland.

Mr. Speaker: Order.

Mr. Roy: I say to my friends, let the legislation go through.

I am not the only one, of course, who says the actions of the New Democratic Party are irresponsible. Even papers that my friend the member for Ottawa Centre reads are saying as much. Just this week in the Ottawa Citizen, Wendy Warburton said that basically as a result of the actions of the NDP, "the big losers in the debate, however, are the Liberals and the public." "The Liberals and the public"; that is what she said.

None of us has to apologize about the amendments we wanted to bring forward, and none of us has to apologize for being linked with the public of Ontario. We do not apologize for that at all.

I also have here an editorial from the Citizen, one of the papers that were favourable to the New Democratic Party some time back. The member for York South used to read the Citizen when he was in the other place. The Citizen editorial of November 29, 1982, is headlined "No Filibuster." It says: "There is something distasteful about one-sided limitation on free debate. In an ideal world, in which everyone was reasonable, there would be no need for such blunt parliamentary instruments as closure."

Mr. McClellan: That's from a Liberal rag. Don't quote Liberals back at us. A Liberal is a Liberal is a Liberal.

Mr. Rae: The member for Renfrew North (Mr. Conway) knows what kind of paper the Ottawa Citizen is. It is the only Liberal paper in Canada these days. The Ottawa Citizen thinks Trudeau should run again, for God's sake.

Mr. Speaker: Order.

Mr. Roy: "But the world is not ideal and reason is often in short supply. So, when the provincial government moved to cut off com-

mittee debate on its public sector restraint bill, it did so with considerable justification."

Then it goes on to lambaste—I do not have the heart to go through all the details of this editorial. In any event, it is clear that the position taken by the New Democratic Party and its irresponsible conduct are the authors of this very unfortunate motion and precedent we have here.

I do not often agree with Claire Hoy, but I thought today—

Mr. Rae: Now you have gone too far.

Mr. Roy: Yes, I have gone too far.

When we let the bells ring over a weekend, for four hours of actual debating time, in the spring, the leader of the third party at that time said we were hijacking the Legislature. Mr. Speaker, what would you say about such a hypocritical approach when the NDP members turn around and waste more than 140 hours of debate? What would you say about such action? What kind of strong language would you use in such circumstances?

Mr. Speaker: Back to the motion, please.

Mr. Roy: We in the Liberal Party are left in a situation where we have to condemn, with all our available strength, the irresponsible conduct of the New Democratic Party in these circumstances. It is unfortunate that the government, in these circumstances, should bring forward a motion that will cut off any chance we have of putting our amendments and will create, as my colleagues have said before me, a precedent that probably will be used on other occasions.

It is very unfortunate that free debate and the democratic process, which had remained intact in the Legislative Assembly of Ontario for so many years—115 years, as my colleague the member for Brant-Oxford-Norfolk said—have been so abused as a result of the New Democratic Party giving itself a new leader, new tactics, trying to give the man profile, etc.

As a result of that irresponsible action, we are left in a situation where we have acted as a responsible opposition in wanting to make a bill better but we are being punished, just like our irresponsible friends to the left. That is an unfortunate result of such a motion. We will oppose it. There is no doubt we will oppose the motion. But these people, with their irresponsible conduct, will take—I see the members to the

left are smiling and taking a certain amount of satisfaction in this.

Mr. Rae: We are laughing at you.

Mr. Wildman: The record should show we are laughing at you.

Mr. Roy: The record should show they are smiling.

Mr. Bradley: They are smiling because they are off the hook and they can go on their winter holidays.

Mr. Roy: Yes. The record should show that while we are debating such an important motion, the people to our left are making fun. They are smiling, looking at each other, having a great time. They may think it is funny, but we think they are undermining the process. It is very unfortunate that because of the actions of so few members, so many other members and the public of Ontario will be the poorer.

The House recessed at 6 p.m.

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Ontario

LEGISLATIVE ASSEMBLY

No. 169

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Thursday, December 9, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Thursday, December 9, 1982

The House resumed at 8 p.m.

CONSIDERATION OF BILL 179 (continued)

Resuming the debate on the motion for time allocation of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

The Deputy Speaker: We are resuming the debate on the motion. If memory serves me correctly, the member for Ottawa East (Mr. Roy) had concluded his remarks. I now recognize the member for Riverdale.

Mr. Renwick: Mr. Speaker, you no doubt notice the thunderous applause from my colleagues in the caucus. I rise to speak against the government motion. I trust the members who are in the assembly at the commencement of my remarks will be in attendance not only throughout but at the end of my remarks, because I intend to dwell at some length—

Interjections.

The Deputy Speaker: It is the Christmas season, I take it.

Mr. Renwick: I intend to dwell at some length on the question of why I am in opposition to the government motion for a number of very good reasons which are of immense concern to me.

I suppose my starting point is the easy and simple statement that the parliamentary process makes people uneasy because it is people in confrontation over basic, fundamental principles about the system they are involved in because of basic differences on the issues before us. There is always a tremendous pressure around to say that it should be much more polite, that it should be a sort of Oxford debating society or some kind of organization where everybody has his say, there is some kind of consensus and everybody goes home quite happy about it.

The government knows differently, because when it wants to play tough it puts up what I refer to as the Brothers Grimm, the House leader of the government party and the government whip. I did not understand it for a long time because, in my practice of law, for a long

time I was engaged in the corporate world of law, the commercial world of law and only latterly was I engaged in the world of criminal law.

It is quite common that they always team up the detectives. There is one tough guy and one nice guy. The government House leader is the nice guy, the government whip is the tough guy and the Brothers Grimm are the movers of the motion. And whom did the government House leader call on to second the motion yesterday? The government whip.

Will the government whip participate in the debate? Not likely. I would be quite surprised if he were to stand up and deal with the substance of the issue. He is there to enforce the unenforceable. He is there to insist that what the government House leader has to say about this process is the correct way of saying it.

Let me again refer to what I referred to when the government moved the first closure motion in the standing committee on administration of justice, when it reached back into the Dark Ages of the 19th century to find a disembodied principle in Erskine May's Parliamentary Practice to say that what they were doing in the standing committee on administration of justice was within the framework of parliamentary practice.

We objected at that time. We challenged that matter when it came before the assembly at some length, and I never repeat an argument a second time. All I want to say about it is that the government does not understand some very simple matters related to the practice of the assembly. The government believes that because it has a majority of the members that is the end of the matter. It does not happen to be the end of the matter, because the parliamentary process is superior to whichever party in the assembly either has the majority or is in the minority.

I want to try to illustrate what that means in the context of the motion that is before us this evening. The government House leader participated for a long time in the debates with respect to the new Constitution of the country. Unfortunately, a little knowledge is a very dangerous thing, and he learned what was dangerous. He

learned that strange Latin phrase "non obstante," meaning "notwithstanding," and he grasped on to it because he knew he would some day be able to stand up in this assembly and move a motion that said, "Notwithstanding the standing orders of the assembly," this was the way it was going to be.

He justified it on the basis that this was a single instance in which he was going to use it, and in Latin that is known as "ad hoc." Just on this one occasion it is going to be done this way. Just on one occasion he is going to move a motion on behalf of the government that begins, "Notwithstanding the standing orders of the House," which have evolved over a period of time to govern the relationships of difficulty in confrontation between different parties with different political principles and views. He was going to do it only once.

If Sir Winston Churchill were alive today, I believe he would say in a way we would all understand that this kind of nonobstantive ad hockery is something "up with which I will not put." I think that is what Winston Churchill would have said today. He would have said you cannot do two things. You cannot say, "Notwithstanding the standing orders of the House," we are going to do something and then justify it on the basis that we are going to do it only at this particular time.

8:10 p.m.

The second matter on which I want to address my colleagues in the assembly in all parts of the House is what Beauchesne and May have said, and they say it in identical terms. We do not say it in our rules. We do not happen to have any book of rules except the yellow book. We do not have any sense of background or reasons for the rules which we have in the assembly.

They both said very clearly—Beauchesne for the House of Commons in Ottawa, and May for the House of Commons at Westminster—"That committee work on a bill on clause by clause is to consider a bill clause by clause, and word by word if necessary, in the public interest to consider the implications of that bill."

I quoted, on the other occasion, those two particular paragraphs which were of immense concern to me about what we were doing when we moved the bill out of the standing committee on administration of justice on a motion which said, and used as a justification, that it had to be moved out because this House would not have time otherwise to consider it. The government, as usual, mistook the identity of its objective with the objective of this House.

This House had plenty of time. There is nothing which says when this House must finish this session. Everybody well understands that it does not match the convenience of the assembly if somebody does not want to be here in January, or that we all want to be home at Christmas time, or that there is a custom in this assembly that the session prorogues at Christmas time and we start a new session in January or February.

But that was the identification which it made and the justification which was put before us, supported by the government members, opposed by the opposition members—

Mr. Wrye: There is a custom that we get off clause 1(a).

Mr. Eakins: Do you want to stay here for Christmas?

Mr. Wrye: I'll stay here for Christmas.

Mr. Renwick: I am delighted to hear that the member for Windsor-Sandwich is prepared to stay here for Christmas.

Mr. Wrye: He is not.

Mr. Renwick: The member is not making a virtue out of it, is he? I am saying very clearly to the members of the government—the members of the Liberal caucus voted with us on this issue; I do not know why they are nitpicking about it at this time. They voted with us that there was no obligation on this House to be finished its business at a particular time.

Mr. Wrye: That's right, absolutely.

Mr. Renwick: That is right. Let me perhaps indicate to the great Liberal Party on my right a couple—

[Applause]

Mr. Renwick: It is very difficult, because Hansard never quite records the sarcasm which is carried with it when I refer to that party, and I will be referring to a great Liberal Party later on in my remarks this evening. It does not exist any longer in Canada, and it certainly does not exist to any extent in that they are clinging for life in the United Kingdom by associating themselves with the Social Democratic Party.

Mr. Wrye: Did you read the Gallup poll yesterday?

The Deputy Speaker: Continuing with the argument on the motion.

Mr. Renwick: Is Gallup a Liberal? I would not be surprised.

In any event, I know Mr. Speaker is aware of a man to whom I am now going to refer, George

Santayana. He was born in Spain. He lectured in philosophy at Harvard University for many years. He retired to Rome and is now dead. Perhaps at some point the members of the assembly, if they can find a copy of it, would read the one novel which he wrote called, *The Last Puritan*. It would be interesting for them to be interested in what he said.

What he said is that those who do not understand or remember history are doomed to repeat it. That is exactly what the Tory government is doing in circumstances which are totally irrelevant to the considerations we have before us tonight.

Very precisely, the government reached back to a motion made in the House of Commons at Westminster in 1887. I will read it in a minute or two. This motion is modelled, whether they like it or not, on that motion. That motion was moved by Mr. W. H. Smith, who happened to be the Tory government leader at that time. He was not the Prime Minister of Great Britain.

Some of the members will recall the name because there is a W. H. Smith book company here in Canada. Those members who have had occasion to be in England and have stopped at any railway station will have seen the W. H. Smith and Son book company. That is the same W. H. Smith.

In 1887, as I will recount in a few minutes, he stood as the government House leader of the Conservative government in the House of Commons in England under circumstances which bear no resemblance to the situation we are in today. He moved the substantial equivalent of this motion. That was in 1887. It was moved by the government House leader. Under the English system, the Prime Minister could not move it, because at that time it was the Earl of Salisbury and he was sitting in the House of Lords.

Our Premier (Mr. Davis) might as well be in the House of Lords for the few times we see him in the assembly. He deems to come in here and answer a few questions. I have seen him only on rare occasions in the—

Hon. Mr. Ashe: You were here this afternoon when he was.

Mr. Jones: He was here this afternoon.

Mr. Lane: He was here before dinner.

Mr. Renwick: He was here this afternoon. Of course, he was here this afternoon. Is that not grand? I am simply delighted.

Mr. Lane: He is here regularly.

Mr. Renwick: If the member wants to understand it, he is not here regularly. He is here

during question period. He wraps himself regularly in the Lord's Prayer, as an important part of the constitution of Ontario; he is seldom in the assembly for prayers. The member knows that as well as I do.

During second reading of this bill—and I happen to have some information about second reading of this bill. This bill was engaged in second reading for 13 days, for approximately 45 hours. Those of us who are members of this assembly can ask ourselves how many of those hours we were in attendance in this assembly to listen to the debate.

I am sure some members will say debate is occasionally at less than the great level it should be, that sometimes the arguments made in this assembly are trivial, or that sometimes they do not relate clearly to the matters under discussion, but some fundamental questions were raised by this party in the course of that second reading debate.

I did not intend to get diverted, but I do not believe the Premier of this province is a paragon with respect to his attendance in this assembly. I want the members to understand that. He is not in regular attendance at the debates of this assembly, not in the way in which I use the term "regular attendance" at the debates.

Let us be clear about this. This is going to be a tough night. It is going to be tough because the time is short. Undoubtedly the government, having said "Notwithstanding the standing orders of the House," is at some point going to use those standing orders of the House to move closure on this debate. It is not an easy occasion to be here.

8:20 p.m.

I want to come back to what I was saying earlier. George Santayana said, "If you do not listen to history, if you do not understand history, if you do not reflect upon history, you are doomed to repeat it."

In 1887, the government House leader of the Tory government in England, in the circumstances which I will describe in a few minutes, moved the equivalent of this resolution. He used each and every one of the justifications which came from this government House leader; and the members of the official opposition—at that time under the leadership of Gladstone—used the same arguments that we have attempted to use in opposition in response to the government motion of closure. It is not time allocation, that is a euphemism. You know as well as I do, Mr. Speaker, that it is not time allocation; it is a question of imposing closure on the assembly.

There was a smaller party at that time in the British House of Commons, under the leadership of Charles Stewart Parnell, with 86 members, which number is, I suppose, relative to the percentage vote participation in this assembly of the New Democratic Party.

In the circumstances under which that motion was put before the House of Commons in Great Britain, they had to go back a bit to 1881-82, when the first precedent in the House of Commons in England had been entertained for a motion similar to the one put by the government House leader here.

What was the first vote? I am going to refer to it so that the record will show the direct parallel between the motion which we are debating and opposing and what took place at that time.

In 1881—and I am sure that many in this House recall the history of those particular times—there is no question that, regardless of the external foreign affairs interests of the government of Great Britain at that time, which was the period from 1880-90, the total preoccupation of the government was the Irish question. That is what it was about. That is what politics in England was about.

I know that my friend the Speaker will understand very clearly and recall very clearly that the Gladstone government—I think it was the second Gladstone government—was in power in England from 1880 to 1885. I think the members of the assembly will recall very clearly that from 1885 to something like 1892, the Conservative government, under the leadership of the Earl of Salisbury, was the government of Great Britain; except for a short period of time—if my memory is correct, from February to July in 1886—when Gladstone was back in power.

Members will also recall that Disraeli was no longer on the scene. He went into the House of Lords some time around 1876 or 1877. He led the Tory government until such time as Gladstone defeated him in 1880.

It is interesting to recall. I cannot conjure up all the drama, the confrontations or the political atmosphere in Great Britain during the period from 1880 to 1887 and then to 1890, when Charles Stewart Parnell was destroyed over a period of time, when the Times of London almost went bankrupt because of the forged letters it published related to Charles Stewart Parnell, but I want to create for you some of the sensation of the exigencies of the time that might possibly have been used to justify a Tory government moving the identical motion in 1887

that the government House leader here has moved in the assembly.

The problem with the rules of this assembly are that they are totally disembodied. There is no flesh on them. There is no spirit. There is no sense of history.

That is what has happened, and I, in my own very polite way, criticize the Clerk of this assembly, who has been the Clerk for a long time, that we do not have, when we look at the rulings of this assembly with respect to its procedures, any of the sense of the history involved in relation to those rulings.

Some people may say our history in this assembly, when we respond to the needs of the province, is not of any great importance. I do not happen to believe that. I do not believe any member of this assembly, now or in the past, thought he was wasting his time by being a member of the assembly, or did not think that in a sense he was participating in something called the history of Ontario.

I will never have the government House leader's interest, he will wander around all evening and not listen to the parallels involved. At the end I am going to ask the government House leader to do something in accordance with the rules of the House. He will not listen, he very seldom listens to the debates that go on in the assembly.

Let me try to bring the attention of members to the drama of the political circumstances in England that may have been a justification for the Tory party, may have been a justification for the precedent in 1881 and 1882 of the Gladstone government. They moved towards this kind of situation where ultimately there were accepted rules in the British House and in the House of Commons in Ottawa with respect to advance agreement between the parties on the periods of time devoted to debate. That did not happen in Great Britain until some time later.

Let me explain to my friend the Speaker sitting in the assembly, my friend the Minister of Consumer and Commercial Relations (Mr. Elgie), my friend the member for Oxford (Mr. Treleaven), my friend the former Solicitor General, the member for Burlington South (Mr. Kerr), the member for Ottawa East (Mr. Roy), who is in the assembly, the member for Kitchener (Mr. Breithaupt), who is in the assembly, that in 1881 Charles Stewart Parnell was imprisoned.

He was put in prison by the chief secretary for Ireland in the Gladstone government. In 1882, he was released. A new chief secretary for Ireland was appointed—Lord Frederick Cav-

endish. The undersecretary was a Mr. Burt. Some changes took place until one day in May, 1882, a double murder was committed in Phoenix Park in Dublin. Lord Frederick Cavendish and Mr. Burt were killed.

The chief secretary for Ireland and the undersecretary, the representatives of the cabinet of Great Britain in Ireland, charged with the government of Ireland, were murdered in the park. Those were the circumstances under which, in 1881 and 1882, Gladstone, as the Prime Minister of Great Britain, because of the situation that existed at that time, said there were matters of urgent importance which required amendment to the Criminal Law (Ireland) Act—to change the criminal law at that time. It was under the pressure of those dramatic events that the motion was put in the House of Commons in 1881.

But the first motion was not to close off the debate. The first motion was to get an agreement of the House that it was a matter of urgent public importance, and the vote was overwhelmingly so in those dramatic circumstances.

8:30 p.m.

Interruption.

The Acting Speaker (Mr. Cousens): Would the member for Riverdale just wait a moment while those who are disturbing the House are asked to leave?

Would you please clear the section of the gallery, that section over there.

Interruption.

The Acting Speaker: Sergeant at Arms.

Interruption.

The Acting Speaker: I have asked that that section of the gallery be cleared.

Interruption.

The Acting Speaker: The people in that part of the gallery will please leave this House.

I remind all remaining visitors in the galleries that you are our visitors and this House is open, but there is no permission for people within the galleries to applaud or make any form of outburst. I trust you will respect the rules of our House.

I now call upon the member for Riverdale.

Hon. Mr. Gregory: Mr. Speaker, on a point of order: While I have to agree with your actions, it is a little disturbing to know there were people interspersed in that gallery who were not causing any disturbance at all. I find it unfortunate that they were thrown out. Many of them were young people who came to view the proceed-

ings and they were automatically thrown out because of the actions of a few.

I do not know what the answer is to this, Mr. Speaker, but I think some attention is going to have to be paid to this point. It is unfortunate when the citizens of this province cannot take advantage of the proceedings in this House without being tarred with the same brush as some of the loudmouths who happen to get in here.

The Acting Speaker: I thank the government whip. The reason was because there was only one section where the disturbance was coming from and there were several people there. It would have been very difficult for the attendants to determine who was or was not guilty and to take the time to identify them.

I appreciate the point that has been raised. I have not closed the galleries so there will be an allowance for people to filter back in. I just warn that if there is a further outburst it will be necessary to clear all the galleries.

Mr. Eakins: Mr. Speaker, on a point of privilege: I am sure I can vouch for the east gallery, which is filled with people from the Victoria-Haliburton Liberal Association, and they are great people.

The Acting Speaker: Thank you, and I appreciate the assistance of honourable members in knowing the difficulty the Speaker has in recognizing who is who and where is where, but I acknowledge that the gallery to my right has been behaving itself so far.

Mr. Renwick: Mr. Speaker, I was trying in my own way to recall the historic circumstances in which in the 1880s in the House of Commons the precedent this government is now using was invoked for the first time by the Conservative government in 1887. I was trying to recall some of the drama of the time. I was citing that in 1881 Charles Stewart Parnell was then in prison. In 1882 he was released. In May of that year Lord Frederick Cavendish and Mr. Burke were murdered in Phoenix Park in Dublin.

By way of an aside, and because my friends who are members of the legal profession will remember, they were alleged to have been killed by a man by the name of McNaughton. It was in McNaughton's trial that ultimately the House of Lords in England laid the foundation of the law with respect to whether or not insanity was a defence against a charge of murder. That is part of the law of Canada and is a basic part of that law.

But that is simply an aside. By the time 1887

had come along Charles Stewart Parnell was the leader of a third party in the House of Commons in England. It consisted of 86 members. What was under way at that time? In 1886 a man by the name of Houston approached the then editor of the Times of London in England and indicated to him he had evidence by way of letters written by Charles Stewart Parnell that Charles Stewart Parnell was an accomplice in the murders that had taken place in 1882.

Along about January 1887 the Times of London started to publish a series of articles with respect to insurrection, crime and otherwise about the Land League in Ireland. This was the league that had been formed by Charles Stewart Parnell and a number of others to raise funds to protect tenants in Ireland against the encroachments of the landlords on their holdings at that time.

After a period of deep consideration the Times of London in 1887 published the letters, which then turned out to be forgeries. It was not long after that time that Charles Stewart Parnell stood in the House and asked for a select committee of the House of Commons to investigate the question of these letters, which he had denied and had said were forgeries. The government of the day appointed a commission of leading lawyers who were involved at that time: Lord Russell; A. L. Smith, later Lord Birkenhead. They were a commission to investigate all of the circumstances related to these letters; and of course they turned out, when the commission reported in 1888, to have been unadulterated forgeries.

Those were the circumstances—which I cannot describe; others in this House of Irish descent could tell better than I what was happening in Ireland in the 1840s, 1850s, 1860s and 1870s that led to this issue being the paramount political issue in the 1880s in Great Britain.

8:40 p.m.

All of us know a little about Gladstone and home rule, and the position of the Tory government at that time in England. That part of history has something to do with the antecedents of many people in this part of the world.

Those times of tension in England in 1881 and 1882—as a result of the murders and the movement made by the Times of London, the Tory government and others in England to destroy Charles Stewart Parnell—were the circumstances of the antecedents of the motion which the government House leader of this Tory government introduced into the assembly. That is the

precedent. We have no other precedent in this assembly because we do not have closure rules, we do not have time allocation rules, similar to those at the federal level or to those in the British House of Commons.

We are being asked to move down that slippery road; that is what was used in England with the original ad hoc resolution in 1881, the second ad hoc resolution in 1882 and with the motion of 1887, which is parallel to the motion introduced yesterday by the government House leader.

The guileful, smooth government House leader says we must now look at the rules of the House because perhaps changes should be made in the rules of the House: to legitimize the illegitimate, to make acceptable the unacceptable, to curtail the tradition of debate in this assembly. He called in aid the Camp commission and said they recommended it. He also referred to the Morrow committee, the select committee of this assembly which examined the Camp commission report with respect to the question of this kind of agreement between the parties about a time allocation process. Of course, he said the recommendation was made because it seldom occurs. The Morrow committee did not say it never occurred; it said it seldom occurs.

The seldom occasion is this occasion. The seldom occasion is Bill 179. We were asked by this government to agree with them last week. We are asked to agree with them this time. Then down the road, while his friends sit in majority in the House, the government House leader will ask all the House leaders to get together and agree to let a procedural affairs committee revise the rules to legitimize what the House in my judgement did illegitimately last week and did illegitimately yesterday.

With the utmost respect, I want to say to the Speaker I could not understand the laconic, detached and uninformed way—if I may so term it—in which a decision was made that this motion was basically and fundamentally in order. If we treat the resolution before us in the simplistic way it was treated yesterday, and the ruling to go down in history is contained in the few words the Speaker had to say about that motion—that yes, it was in order—people then will understand that we do not know what we are about.

What a comedown, because the parallel is very clear. They cannot find a recent parallel in the House of Commons in England for such a drastic action. Their justification is the House of Commons in England is more mature than this

assembly. They have agreed over the years to changes in the rules that permit the truncating of debate so that matters of principle never become matters of serious concern and head-on collision. They have agreed it is legitimate for a government to move closure if it sees fit. It is all very polite. It is the same with the House of Commons in Ottawa.

What do they do? As they did last week in the standing committee on the administration of justice by a six to five vote, they changed a fundamental rule of the assembly. The government House leader yesterday introduced a motion which was declared by the chair to be in order because we have no sense of what the tradition was, no sense of what the precedent was that was called in aid of that decision to make it so.

Let me read that 1887 motion and let us look at how closely it is in parallel to the motion introduced yesterday. This is the precedent we are asked to approve in this assembly. I am reading from the business of the British House of June 10, 1887. This was very shortly after the *Times* of London published the forged letters of Charles Stewart Parnell.

In the aftermath it cost the *Times* of London 200,000 pounds by 1890 when the costs had been assessed against them. It practically put the *Times* out of business. If Lord Northcliffe, a millionaire, had not come along and rescued it the *Times* of London would have disappeared. That is the kind of world it was when the Tory government and the *Times* of London, in 1887, introduced this amendment.

Let us jump forward 100 years. There is a Tory government in England. Do members think the decision of the Tory government in 1887 has assisted in solving the problem of the relationship between England and Ireland? Do members think the wisdom of that decision is borne out by history? Of course it is not borne out by history. The Tory government in England is faced with the consequences of the introduction in 1887 of the very kind of motion which is put before this assembly today, and which we are debating at this time.

Let me read the motion of 1887. "The First Lord of the Treasury, Mr. W. H. Smith"—I mentioned before that one can buy books at the bookstore of his family in Toronto and at every railway station in England—"representing the constituency of the Strand in Westminster"—that is a working class area if ever there was one—"in rising to move the following resolution: that at 10 o'clock p.m. on Friday."—he moved this on

June 10—"the 17th day of June, if the Criminal Law (Ireland) amendment bill be not previously reported from the committee of the whole House, the chairman shall put forthwith the question or questions on any amendment or motion already proposed from the chair.

"He shall next proceed and successively put before the questions that any clause then under consideration and each remaining clause in the bill stand as part of the bill unless progress be moved as hereinafter provided.

"After the clauses are disposed of, he shall forthwith report the bill as amended to the House. From and after the passing of this order, no motion that the chairman do leave the chair or do report progress shall be allowed unless moved by one of the members in charge of the bill, and the questions on such motion shall be put forthwith. If progress be reported on June 17 the chairman shall put this order in force in any subsequent sitting of the committee."

8:50 p.m.

I need not read the motion that is before us. There is the parallel. That is the identical precedent the government is drawing in support of the action it is taking ultimately to change for all time the rules of this assembly. The parallel is exact, the consequences are the same, and we are being asked to go down the same slippery road.

The same slippery road was pointed out. One can read what was said by Mr. Smith, the mover of the motion, the First Lord of the Treasury, the government House leader in England, and we can almost hear the government House leader of the Tory Party speaking. Every point the government House leader made yesterday is made in that speech. That does not mean the government House leader read this speech. It is the natural way in which every embattled government is going to express its views if it adheres to the Tory problem.

Mr. Smith says, in support of the analogous motion in 1887: "Sir, in submitting the motion that stands in my name, I wish it to be most distinctly understood that I desire to avoid any reference to any topic which can by any means create any irritation or annoyance to honourable gentlemen who have a perfect right to differ from me and from the government in the view which they take of their duty under the circumstances in which the House is placed"—he is talking about a bill that was in front of them in very dramatic, difficult political circumstances—"but I decided to place before the House the course which the government

feels to be absolutely essential in the interests of the honour and dignity of Parliament and the duties which are imposed upon the members of the House of Commons."

Does that somewhat echo what the government House leader of this government had to say yesterday? "Sir, I have undertaken this task with the greatest possible reluctance." We heard that yesterday from the government House leader. "There is no one in this House more unwilling than I am to place any restraint whatever upon the exercise of the liberty of speech and of the right of debate and the full privilege of the members of the House of Commons." Did we hear that yesterday from the government House leader? I heard it. Did anybody else hear it?

"Since I have had the honour of being a member of this House, I have always deprecated any attempt whatever to restrain those liberties and rights of debate. It has only been when the necessity has been absolutely imperative and irresistible that I have concurred in or that I have proposed measures which have placed any restraint whatever upon members of the House of Commons. We had hoped that it would be possible to avoid the course which Her Majesty's government feels it is their duty to ask the House of Commons to adopt." Those are the identical thoughts, in somewhat different words, put before the House of Commons 100 years ago to justify the indefensible then.

I am going to skip a small part of it. I could read the whole of it, but it goes on: "The period of the session alone is sufficient to justify, in my humble judgement, the course the government is now about to take. We have arrived at the fourth month of the session." I do not think we have arrived at the fourth month; we have not even reached the end of the third month since the session came back to debate this bill.

"We have done practically nothing except to consider the measure now before the House. Some supply votes have been passed and some comparatively unimportant measures have received the consideration of the House in that period, but the whole course of legislation has been stopped, other than that which has been proposed in the measure before the House. Votes in supply have not received consideration, as is usually the case, and the privileges of members, the rights of private members have been entirely suspended during that period of the session.

"There are matters which it is impossible for the government to ignore, and it is impossible

for the government to be otherwise than deeply concerned at the paralysis of parliamentary business which certainly does not reflect credit upon the House of Commons."

Mr. Martel: It sounds like yesterday all over again.

Mr. Renwick: That was yesterday. He spoke in terms a little different. "Deadlock" was one of the terms used, and "obstruction" was one of the terms used to indicate we were the ones who were obstructing the government, that we provided the justification for this to take place. Let me carry on. I do not want to read the whole thing because that might be unnecessary. Let me skip a little.

"We arrive, sir, at the 35th day of the consideration of this measure which is now before the House, 35 parliamentary days, some of them protracted beyond all former experience, have been passed in the consideration of this measure. I have no doubt that honourable gentlemen opposite will say that only too little time has been given to the consideration of a measure which they dislike, to which they are opposed on principle and which they regard as tyrannical and unnecessary.

"That may be the case from their point of view, but the majority of the House and the government of the day have also their duty to discharge. They thought it their duty to propose to Parliament a measure which they believe to be necessary for the preservation of law and order in Ireland.

"That is their belief and, as a government and as a majority, they are bound to press it forward to the utmost of their ability with due consideration for the rights of the minority, with due consideration for the authority of Parliament, with due consideration for the traditions of Parliament and, above all, with the greatest possible consideration for those glorious traditions of liberty and freedom which belong to an institution of which hitherto Englishmen have been proud.

"But, sir, if it is the duty from the point of view of Her Majesty's government to press forward this measure, if it is the duty of Her Majesty's government to care also for the transaction of the business of the country and this House, it is undoubtedly their duty, when they find they are faced by a condition of circumstances absolutely unparalleled in the history of Parliament, to place the case before Parliament itself and to demand from Parliament that relief, not for themselves, but for the House of Commons itself, and for the business of the country and

those trusts which are confided to the House of Commons.

"I say, sir, it is their duty to demand from Parliament that relief which they believe to be essential and absolutely necessary."

It goes on in much the same vein. It is not quite as eloquent as the government member was yesterday in his defence of this indefensible resolution, but it goes on at considerable length. He even points out the disrepute into which the House of Commons has fallen in the eyes of the people of Great Britain.

Do the members remember yesterday that this place had fallen into disrepute? Do the members remember every intonation of his tone about the regret he had and all of the paraphernalia of the English language that was brought in aid of this matter?

I could go on at great length with respect to what Mr. Smith, the government House leader in 1887, had to say. It is interesting that when he accused the 86 members of the party led by Charles Stewart Parnell with obstruction, Mr. Parnell, the member for Cork, stood up and said: "Mr. Speaker, I rise to order. I wish to know whether the right honourable gentleman, the First Lord of the Treasury, is entitled to impute a parliamentary offence, which obstruction has been repeatedly declared to be, to a minority of the House and that without making any attempt whatsoever to substantiate the charge."

It is identical, sir. Nobody in the government here has substantiated the charge that we have in any sense obstructed the proceedings of this House.

My colleague the leader of this party, the member for York South (Mr. Rae), explained carefully and in great detail each and every one of the motions we put in the committee, each and every one of the arguments we put on second reading in this assembly, to try to explain to the government that it has never responded. The debate goes on.

9 p.m.

I trust someone somewhere in this House will have a somewhat similar interest as I have in this kind of esoteric history of the British House of Commons. It is interesting that Gladstone, then the Leader of the Opposition, intervened in the debate to point out they could not call in aid the resolutions that were passed in 1881 and 1882, because the first motion that was put when Gladstone was the Prime Minister was the question of whether the business of the government was urgent. It was overwhelmingly supported

by everyone in the House at that time before the question was put as to whether there should be some limitations placed upon debate.

This government did not use that, and the government knows it did not. It is clear in that debate on that particular occasion in 1887. If anyone would read it, if anyone would look at the comments of Erskine May in connection with it, if anyone would look at the precedents in 1881 and 1882, if anyone would read the history of the Times of London for the period 1880 to 1890, if anyone would read about the tensions in the political community of Great Britain at that time, one could understand and perhaps say: "Fine, that is the way it will be."

But Parnell, when he stood in the House on that occasion, pointed out clearly exactly what was going to happen: 1881, special circumstances introduced by the Liberal government under Gladstone; 1882, a special ad hoc resolution introduced under particular circumstances; 1887, when Parnell is being pilloried in an attempt to bring into the Parliament of Great Britain laws with respect to Ireland which were going to continue to suppress the people in Ireland, when one of the key parts of that bill was to deny the right of combination, which is an ancient term meaning the right of association to people in Ireland, so they could not collectively assert their grievances. They were amending the criminal law to do so, and it was the Tory government doing so.

In 1887, they called in aid what had happened before, just as I know they will call in aid again in this assembly and surround with an aura of acceptability and respectability what is not respectable, what was not accepted in this assembly, either in the standing committee on administration of justice two weeks ago or in this motion.

I come back specifically and always to the point that was made by the leader of this party yesterday, that the rules of the House have evolved in such a way that the government in this province has ample protection under the rule relating to closure. It is a euphemism to say a version of closure was not introduced two weeks ago in the standing committee on administration of justice. It is closure that is being introduced here, and the honeyed tones of the government House leader talking about an allocation of time for a debate is no way to say this is not closure.

Mr. Speaker, this is a serious situation for the assembly. Even if I were to accept—

[Interruption].

The Deputy Speaker: I would like the attention of all members of the gallery. Will the guards please remove that person.

[Interruption].

The Deputy Speaker: The member for Riverdale will continue.

Mr. Renwick: In the brief period available to me, and I hope, in the sense of having stimulated some members of the assembly, to make them understand the rules are not disembodied rules, they are flesh and blood with respect to the precedents on which we purport to act. On none of the occasions when these drastic changes are being made—

[Interruption].

The Deputy Speaker: I am going to have to clear this section of the gallery and have the guards remove that woman, please.

[Interruption].

Mr. T. P. Reid: Obviously carefully orchestrated.

The Deputy Speaker: I am hesitant to clear all—

Interjection.

Mr. Martel: Don't be such a clown. You might fire civil servants but—

The Deputy Speaker: Order, member for Sudbury East (Mr. Martel); you will have your opportunity.

Mr. Martel: You're a bloody bully; you fired MacAlpine.

The Deputy Speaker: Order. I am hesitant at this time to clear all the galleries. I do hope those guests—

Mr. Martel: You think you can make allegations—

The Deputy Speaker: Member for Sudbury East—

An hon. member: Sit down, Elie.

Mr. Martel: Mr. Speaker, I suggest you make him withdraw that allegation—

The Deputy Speaker: I am standing; you know the rules. I have listened patiently all night to the debates on our standing orders, and I am sure you respect the chair. Will you please resume your seat? Thank you very much.

First, let me say again to the guests in the galleries, you are here on the invitation of the seated members. If we have outbursts of the nature that have taken place, it is difficult for the Speaker to remove specific individuals at different times. I do not want to clear all the

galleries, but at a particular point, if I find it necessary, I may have to do that.

Mr. Martel: On a point of order, Mr. Speaker: From the other side of the House, and if you like I can name the two ministers, there was an allegation that we had orchestrated that. The member for Niagara Falls (Mr. Kerrio) was in on it too. The rules of the House state quite clearly that you cannot make an allegation against another member. I ask you to ask the Minister of Natural Resources (Mr. Pope) and the Minister of Citizenship and Culture (Mr. McCaffrey) to withdraw, and the member for Niagara Falls, under the standing rules.

Hon. Mr. Pope: Mr. Speaker, when the honourable member reads Hansard maybe he will simmer down and understand what was said by the two ministers. He does not know what was said at all.

The Deputy Speaker: Member for Sudbury East, I am left in a difficult position. Unfortunately, with the disturbance taking place, I did not hear that; I will look at Hansard.

Mr. Martel: I know. Forget it, Sam.

The Deputy Speaker: I will.

Mr. Renwick: Very briefly, and in summation, I am speaking against the motion that is before us because it has had a parallel before. The precedent I call in aid is one from the British House of Commons in 1887 and the circumstances, whatever they may have justified at that time, have no relationship to the kind of Mickey Mouse bill the government has in front of us, in view of the major problems of our society at this time. That bill was not a bill to select a small segment of the economy and say to them, "We will punish you because it will improve the lot of everyone else." It was dealing with the historic relation between the Irish people and the English people in circumstances that have not yet been solved.

9:10 p.m.

There is no parallel. There is no reason the government dips back into the last century with respect to the operation of this assembly, and each and every one of the arguments that were made then were made yesterday by the government House leader. The problem of England and Ireland has not been solved 100 years later, and I say to the Tory government that the problems of this economy will not be solved by this legislation. If anything, it will exacerbate the situation that the economy of this province is in.

The unfortunate part of it is that the role being played by the then great Liberal Party in England led to its ultimate demise just as the role being played on this bill by the Liberal Party in Ontario will lead to its demise in a very short period of time. Why? Because there comes a point in the life of any parliament when matters of principle are important, when matters that have to be said must be said, and when a party such as ours stands for every person who works in the public sector, whether he or she is protected by a collective agreement and a trade union, or whether he or she is isolated and alone under a contract of employment, privy only to the person and the employer. We stand for them. We stand on that kind of principle.

I know I have not reached the government House leader, because he has been like a cat on a hot tin roof. He has been wandering around the chamber. He does not listen to what has been said. He only mouths what has been done. If he had paid attention to the discussion in the debate, if he had listened a little bit to history, he would have been doomed not to repeat it. I would have called upon him in all reason, in all good sense, not to invoke rule 41 of the standing orders, which are being set aside by the motion that is in front of us—rule 41 says, “Except as otherwise provided in these standing orders, government business will be taken up in the discretion of the government House leader or a minister acting in his place”—but to consider the preceding rule, which he probably has not read, rule 40, which says, “A member who has given notice of or moved a motion may withdraw the same.”

I would have asked the government House leader in all the interests of this assembly, not only with the specific occasion in front of us but also in relation to the future history of this assembly, that he would have the good grace, the sense of history, the knowledge of what this place is about, the purposes of this assembly, the concern for the people of the province, to have recognized in the course of this debate that it is possible for even a Conservative government House leader to change his mind and to stand in his place and say, “I, Mr. Speaker, having listened to the debate, will withdraw this motion.”

That is what I ask the government House leader to do. I suggest to him that later on, when he has nothing to do, he read chapter 3 of the fourth volume of the history of the Times of London. Chapter 3, which contains 80 pages, deals with Parnellism in crime, the destruction of Charles Stewart Parnell, the inability of the

Tory government in England to solve the Irish question and the inability 100 years later for them to solve it. Had they listened to those who voted in opposition to the parallel motion introduced at that time, it might well have been, despite the difficulties of the time, that the course of history would have been different.

In the minor world of our province, with a sense of the importance of the history of Ontario, I say to the government House leader that if he withdraws this, the history of this province will be different from the history of the province if he leaves this motion to stand and calls in aid only the members of the government majority to pass it. I ask the government House leader to withdraw the motion.

Hon. Mr. Gregory: Mr. Speaker, I want to say a few words on government notice of motion 10, the motion of the government House leader, and really by invitation of the previous speaker, who suggested earlier in his remarks that it would be good to hear from the second Grimm brother.

For those who were not here, he compared the government House leader and me to the Brothers Grimm. He also compared us to detectives, the kind one and the tough one. I just wanted to point out to him that the government House leader is not so tough but I am very kind, as members all know, and very patient.

I do not have the ability to speak as well as the member for Riverdale (Mr. Renwick), nor do I have the ability to repeat myself as often as he does. Therefore, my remarks will be somewhat shorter and not nearly so well spoken.

I have watched very closely the procedure of this bill—and I am speaking to the motion—through the House and through the committee, and I have seen the length of time that has been spent and the number of people who have spoken on this bill in the committee and in the House, both on second reading, when we had some 47 hours, which you have undoubtedly heard before this afternoon and this evening, Mr. Speaker, followed by 35 hours in public hearings and approximately 34 hours in committee, followed again by 12 hours in the House since we came back here, in which we really have not accomplished a great deal. We still have not completed section 1 of the bill.

The previous speaker was an excellent example of what this motion is all about, because we have seen that when better filibusters are done, that member will take part in them.

It goes without saying that the third party members do not like this bill. I do not think they

have to tell us that very often. They do not have to heckle me to let me know that is the way they feel. It is pretty obvious that this is the way they feel.

The members of the party opposite are not so vehemently opposed to the bill. However, because of the tactics of the third party, they are not being given an opportunity to present the amendments that would make that bill to their liking. Their tactics are the obvious reason. That has been said many times today, tonight and before this; so I am not saying anything new.

Having had something to do with it in my function as chief government whip—and I have had to be involved, not necessarily in the debate on it but in observing the debate and in making sure that our members had ample opportunity to take part in the debate—certainly I became aware of what was happening.

I am satisfied in my mind that this bill has had adequate debate. I do not see any way in which we could possibly say anything about this bill that has not been said. Similarly, I do not think there is anything that could be said—

Interjections.

Hon. Mr. Gregory: Mr. Speaker, with greatest respect, the members of the third party have been going on for about an hour and a quarter tonight, not to mention this afternoon, and they never heard any interruption from me whatsoever; and tonight they have not had interruptions from our members here. If they have nothing else, would they at least have the good manners to let me have my say?

The nature of this motion provides that there will be an opportunity for the members of the official opposition to present their amendments in the approximately five hours that are provided for debate in committee of the whole—so there is an opportunity to do that—followed by an additional five hours to deal with the report itself, the voting on the report.

Similarly, there will be approximately another five hours in which they can deal with it on third reading; so there is ample time to debate the bill. They have had ample time to debate the bill. In my opinion, and I trust that you will concur in this, Mr. Speaker, there is no way anything new can be brought forward with all the information that has been heard. Therefore, with this in mind, and in accordance with section 36 of the standing orders, I now move, "That this question be now put."

9:20 p.m.

The Deputy Speaker: The member for Mississauga East (Mr. Gregory) has brought to the chair's attention the putting of the question under section 36.

Mr. Renwick: Mr. Speaker, on a point of order: I did not have to hear what the member for Mississauga East said to know what he was about. He never participates in the debate; he only moves—

The Deputy Speaker: Order. Speak to the point of order.

Mr. Renwick: My point of order is very simple and very clear. My point of order is on the motion for closure. If you will look at the rule, sir, it says the question shall be put if it is not in opposition to the standing orders and if it is not an oppression of the minority. I say to you, sir, that all the preparatory remarks made by the member for Mississauga East before he moved the motion he has just moved related to the bill. The bill is not under debate in this assembly at this time. It is the motion that was introduced yesterday by the government House leader. It has nothing to do with Bill 179 or what can or should be said about it.

My point of order is that if the government believes that for the third time in 12 days it can introduce a closure motion in this assembly—first, in the standing committee on the administration of justice; second, yesterday by the government House leader, seconded by the chief government whip, with respect to the motion we were debating; and third, today on that motion—then I say, sir, in a very real sense, this is an extremely sad day.

If you uphold that, sir, if you rule that motion in order, you are oppressing the minority members of this assembly. You are recognizing that the tyranny of the majority, silent and otherwise, rules this assembly, despite parliamentary history, despite the tradition, despite the parallel I attempted to bring to the attention of the House, which neither the government House leader nor the government whip listened to. Then we are playing it by rote; we are not playing it by reason. Let us play it by reason.

Mr. Nixon: On the point of order, Mr. Speaker: I simply want to give you my assurance that there are more members of our caucus who are not only prepared but also very anxious to speak to the motion. You will understand that the provisions of rule 36 give the chair the discretion not to accept a closure motion when it is obvious there are other members who are prepared to speak and that it is the chair's

responsibility to see that the rights of the minority are thus protected.

You may recall hearing the Speaker say yesterday, when he was in the chair and there was some discussion about these matters before the House, that all honourable members would have an opportunity to speak on this motion. I can assure you that more members from our party, the official opposition, are ready and anxious, very anxious indeed, to express their views in this matter.

Mr. Martel: On the point of order, Mr. Speaker: I want to concur with what my friend the member for Brant-Oxford-Norfolk (Mr. Nixon) said. The Speaker yesterday indicated when this matter was being debated that every member in this Legislature who wanted to speak to this item would have an opportunity to do so. He, of course, recognized the possibility of what the government was intending to do. It certainly was at the government's disposal, and I believe he wanted to assure us that members would have an opportunity.

If the Speaker wants to look at the number of members who participated in this short debate to date, he will find that there are probably only five or six members who have had the opportunity. The stage was set as one watched my friend the chief government whip move in. As my colleague said, he did not speak to the motion at all; he spoke to the bill. He was not ruled out of order, mind you, but the rulings have a funny way of being worked out here. My colleagues, when they were not speaking to the motion, were called to order and told to speak to the motion.

Mr. Wrye: Not very bloody often.

Mr. Martel: Does my friend want to help them?

Interjections.

The Deputy Speaker: Member for Sudbury East, I have acknowledged—

Mr. Martel: He did not move any amendments, and in his little remarks leading up to yet another closure motion he spoke entirely to the bill. He did not speak to the motion; he did not even address it. I suggest, Mr. Speaker, that you should rule it out, out of hand, because there have only been four or five members who have spoken to this item.

Mr. Bradley: Mr. Speaker, we recognize the government's impatience after a number of weeks and a couple of months in wanting to proceed with this. We recognize that fully, we understand that this is the reason we have this

resolution before us and I recognize that there have even been a number of speakers on this resolution.

What concerns me is the fact that we have a resolution that has great ramifications for procedures in this House, and we have the chief government whip moving a motion this evening that any further debate on this very important procedural matter cease.

I recognize the government's impatience; they have stated it for weeks now and most certainly in the form of this resolution. But if they are going to impose now, in effect, closure on this motion, which has such great ramifications for the House and which is in essence a new rule applied to this House, a new precedent for this House, I have to implore you to use the judgement available to you, Mr. Speaker, under the section of the rules that the House leader of the official opposition has stated, to indicate that there has not been sufficient debate, that the government is imposing this kind of closure at a point too early in your judgement, I hope, and that as a result you rule it out of order, at least at this time.

The Deputy Speaker: I appreciate the comments from all honourable members. It is not—

Mr. Roy: Mr. Speaker—

The Deputy Speaker: Order.

Some hon. members: Sit down.

Mr. Roy: I won't sit down.

The Deputy Speaker: I think really, in respect to the chair, I have had the opportunity to listen to full points of debate from the two opposition parties.

Mr. Roy: With respect, Mr. Speaker, if I may make this point: We are dealing with a motion that I have never seen before; in 11 years I have never seen this type of motion in this House. Now, while we are in the process of debating the motion, all at once the whip on the other side brings forward a motion under standing order 36 that the question be now put.

It seems to me that under the circumstances, as my colleagues have said earlier, one of the matters that must be given consideration is the whole aspect of the nature of this motion, and I am sure you will give serious consideration to the fact that it can be considered, as the rule says, an abuse of the standing orders, which allow free debate in this place.

Mr. Wildman: You spoke this afternoon against the opposition.

The Deputy Speaker: Order.

Mr. Roy: Mr. Speaker, fortunately I am speaking to the chair and not to the people who have abused the rules of this House.

What I am trying to say is that, given the conduct and responsibility of this party to act in a responsible fashion, you should give consideration to at least giving this party adequate time to give views on this motion.

Interjections.

9:30 p.m.

The Deputy Speaker: This is indeed, it goes without saying, a very important question and a hard decision to make. Many members have put forward the point that not everyone has had the full opportunity of discussion. I would like to bring to the attention of all members that we have had five hours of debate on the motion and a total of 10 speakers.

The hard question is, where is the magic line to have the full number of speakers? In my estimation, we have to consider this motion in the context of the whole debate that has been taking place. In that regard, I recognize the motion put under section 36.

I will put the question, "That this question be now put."

10:25 p.m.

The House divided on the question, which was agreed to on the following vote:

Ayes

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Birch, Brandt, Davis, Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Havrot, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones, Kells, Kennedy, Kerr, Kolyn, Lane, Leluk, MacQuarrie, McCaffrey, McCague, McLean, McMurtry, McNeil, Miller, F. S., Mitchell;

Norton, Piché, Pollock, Pope, Ramsay, Robinson, Rotenberg, Runciman, Scrivener, Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman, Yakabuski.

Nays

Allen, Boudria, Bradley, Breaugh, Breithaupt, Bryden, Cassidy, Charlton, Conway, Cooke, Cunningham, Di Santo, Eakins, Edighoffer, Elston, Epp, Grande, Haggerty, Johnston, R. F., Kerrio, Laughren, Lupusella;

Mackenzie, Martel, McClellan, McGuigan, McKessock, Miller, G. I., Newman, Nixon, O'Neil, Peterson, Philip, Rae, Reed, J. A., Reid,

T. P., Renwick, Riddell, Roy, Ruston, Spensieri, Swart, Sweeney, Van Horne, Wildman, Worton, Wrye.

Ayes 66; nays 47.

Mr. Speaker: Under the provisions of standing order 36, I now put the original question forthwith:

Hon. Mr. Wells moved, seconded by Hon. Mr. Gregory, government motion 10.

All those in favour will please say "aye."

Some hon. members: Aye.

Mr. Renwick: Will you please read the motion?

Mr. Speaker: Hon. Mr. Wells moved, seconded by Hon. Mr. Gregory, that notwithstanding any order of the House, the consideration of Bill 179, the Inflation Restraint Act, 1982, by the committee of the whole House be concluded not later than 10:15 p.m. on the first sessional day following the passage of this motion unless such a date be a Friday, in which case the conclusion of the consideration will be not later than 10:15 p.m. on the following Monday, at which time the Chairman will put all questions necessary to dispose of every section of the bill not yet passed, and the schedule, and to report the bill, such questions to be decided without amendment or debate; should a division be called for, the bell to be limited to 10 minutes;

And, that, any debate on the question for the adoption of the report be held on the next sessional day and be concluded not later than 10:15 p.m. on that day, unless it be a Friday when again it will be on the following Monday, at which time Mr. Speaker will interrupt the proceedings and put the question for the adoption of the report without amendment or further debate and if a division is called for, the bell to be limited to 10 minutes;

And, further, that, the bill be called for third reading debate on the third sessional day following the passage of this motion and be completed not later than 10:15 p.m. on that day unless it be a Friday when again it will be called on the following Monday at which time Mr. Speaker will interrupt the proceedings and put the question without further debate and if a division is called for, the bell to be limited to 10 minutes;

And, finally, that in the case of any division in any way relating to any proceeding on this bill prior to the bill being read the third time, the bell be limited to 10 minutes.

Shall we take the same vote?

Some hon. members: No.

10:33 p.m.

The House divided on Hon. Mr. Wells's motion, which was agreed to on the following vote:

Ayes

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Birch, Brandt, Davis, Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Havrot, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones, Kells, Kennedy, Kerr, Kolyn, Lane, Leluk, MacQuarrie, McCaffrey, McCague, McLean, McMurtry, McNeil, Miller, F. S., Mitchell;

Norton, Piché, Pollock, Pope, Ramsay, Robinson, Rotenberg, Runciman, Scrivener, Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman, Yakabuski.

Nays

Allen, Boudria, Bradley, Breaugh, Breithaupt, Bryden, Cassidy, Charlton, Conway, Cooke, Cunningham, Di Santo, Eakins, Edighoffer, Elston, Epp, Grande, Haggerty, Johnston, R. F., Kerrio, Laughren, Lupusella;

Mackenzie, Martel, McClellan, McGuigan, McKessock, Miller, G. I., Newman, Nixon, O'Neil, Peterson, Philip, Rae, Reed, J. A., Reid, T. P., Renwick, Riddell, Roy, Ruston, Spensieri, Swart, Sweeney, Van Horne, Wildman, Worton, Wrye.

Ayes 66; nays 47.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, pursuant to the standing orders, it is customary to make a statement of the business for tomorrow and the coming week. What I would like to do is to announce now the business for tomorrow, and make a statement regarding business for next week after the House leaders have had a chance to discuss some timing procedures tomorrow morning.

The business of the House tomorrow morning is as previously announced: in committee of supply, the estimates of the Ministry of Agriculture and Food.

The House adjourned at 10:38 p.m.

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No. 170

Ontario, LEGISLATIVE ASSEMBLY

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament
Friday, December 10, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Friday, December 10, 1982

The House met at 10 a.m.

Prayers.

DANGER OF FLOODING

Mr. R. F. Johnston: On a point of order, Mr. Speaker: I want to take this opportunity to thank the Minister of Natural Resources (Mr. Pope), who yesterday sent me a letter dated November 18 regarding flood risk areas in Metropolitan Toronto. He also sent a package that contained a document called *A New Approach to an Old Problem* and a couple of maps on flood risk.

I presume the urgency with which it was sent by Purolator to my constituency office was because of the danger of impending flooding of the bluffs in Scarborough. I just wanted to thank him for the special notice of sending me this thing by Purolator.

Mr. Speaker: Order, please.

DEMONSTRATIONS IN PUBLIC GALLERIES

Mr. Bradley: On a point of privilege, Mr. Speaker: It refers to a recurring problem, and I would be interested in some brief comments from you on how this problem is being dealt with.

Last night once again there were demonstrations in the public gallery. Yesterday afternoon there were demonstrations of a sort in the public gallery. I suppose the thing to do at one time was to demonstrate on the steps of the Ontario Legislature, the steps of city hall and various other places where one could be heard, seen and make known a point of view.

I have not been in this Legislature as long as most people on the benches here, I suppose, but it has really been a phenomenon of about the last year when we have had almost continuous demonstrations occurring in the public galleries of this Legislature. I really wonder how this matter is being addressed.

I know we have stood from time to time to ask you about it, and I do not pretend there is an easy solution by any means. But it seems to me we have to resolve this matter before something really unfortunate happens. We do not want to get into the details of these things, because

when you do it sometimes suggests to certain people what might be done. But all of us could let our imaginations go and picture what could occur if we are not going to find some way of solving this problem.

Last night I thought the three people who were in the chair during the evening dealt with it in as fine a manner as they could. They attempted to isolate those who were using the public galleries for a demonstration from those who were there simply to observe the proceedings. It was the former who were asked to leave.

Mr. Speaker, I know when we have people from various schools here you have a difficult time saying we have to clear the entire gallery because of a few people. I suppose the standing committee on procedural affairs will be looking at this, that certain other committees of the House might be discussing this and that you are probably mulling over in your own mind some possible way of handling this problem.

But I rise again simply because I am extremely concerned about this place. We are on our worst behaviour some days; I am the first to admit that, and I participate in that kind of bad behaviour from time to time. But we are the elected representatives and I suppose we can get away with it. But I think a real problem arises when we get that behaviour in the public gallery. It affects the debates to a certain extent and it concerns certain members that the demonstrations might take a different turn.

We do not want to exclude people completely, but I think it is a matter we must address, because it is becoming almost a daily occurrence as opposed to the exception. Now if you want to get on television, you stand up, open up your jacket and there is a sign. And while these people have some real grievances—and we cannot say there are not real grievances—it is the manner in which the public galleries of this House are being used that has to be of concern, I think, to all members.

Mr. Speaker: Thank you. It is a very difficult matter to deal with. As all members know, it is a responsibility that I carry, and I have tried to deal with it as it arises. It is very difficult to know before the House opens what is going to happen.

Hon. Mr. Davis: Before making a brief state-

ment I would just say I think all of us share the same concerns of the member for St. Catharines and know the very difficult judgements you are called upon to make, Mr. Speaker.

However it is not as recent as the member feels. Some of us who have been here for a shade longer can recall when great debates were taking place in the university community about student representation on boards of governors. I think the leader of the New Democratic Party may remember some of this activity. There were certain demonstrations in the gallery then. I can recall the former mayor of Hamilton, as a matter of fact, and I think I recall some students from the college of art. It was during the throne speech on one occasion when a demonstrator actually came on to the floor of the Legislature.

So the member may feel it is a fairly recent situation, but there have been others. For you, Mr. Speaker, it is always a very difficult judgement and determination to make, and I am sure we all share this concern at the same time as not having an instant or simple answer to how it should be handled.

STATEMENT BY THE MINISTRY

HUMAN RIGHTS DAY

Hon. Mr. Davis: Mr. Speaker, 34 years ago today the nations assembled at the United Nations took a major step forward in the history of international affairs and in the advancement of the dignity of the human race. On that day, the anniversary of which is being widely celebrated today as Human Rights Day, the General Assembly of the United Nations proclaimed the Universal Declaration of Human Rights.

That declaration establishes a critically important set of international ideals and standards. It reflects the best that is present in men and women when, inspired by decency, hope and understanding, they have the vision to see and proclaim that beneath surface differences all human beings are equal in dignity and rights.

Since 1948 the Universal Declaration of Human Rights has inspired a number of specific international human rights agreements by which Ontario has consented to be bound. Ontario can be proud that in this manner we, along with our fellow Canadians, have helped demonstrate our country's commitment to strengthening support for equal and fair treatment around the world.

10:10 a.m.

In doing so, we have acknowledged some of the benefits which we as a province have received from the Universal Declaration of

Human Rights. Our first Human Rights Code, which was proclaimed in force 20 years ago, drew not only its inspiration but also its preamble from the declaration. Our new Human Rights Code, which we proclaimed in force on June 15 of this year, continues to draw upon the universal declaration for its basic principles, while at the same time creating a stronger, expanded code which can itself be properly held out as a model for jurisdictions around the world.

In rising to mark Human Rights Day and to pay tribute to the universal declaration, I wish to emphasize in particular this province's commitment to the principles of multiculturalism and to the promotion of good race relations.

In recognition of this commitment, the government of Ontario has recently adopted and released a policy statement on race relations. In it we have set out our belief in the goodwill of the vast majority of this province's residents and our determination to inspire their continued efforts towards the achievement of a society in which all are equal in dignity and rights. At the same time, the statement makes clear our commitment to protecting those who suffer hurts and wrongs because of their race.

The principles set out in the statement, copies of which have been distributed to members, have long guided public policy in this province. But they have not previously been collected together in a document which can reassure those who suffer because of race, inspire those who seek to end that suffering and deter those who would inflict it. The policy statement will soon appear in a great many public institutions of this province, where it will further these goals, all the while bearing potent witness to Ontario's commitment to equal rights and freedoms for all.

Mr. Shymko: Mr. Speaker, I simply wanted to add some remarks on this occasion of Nations Universal Declaration of Human Rights, because there is another anniversary which is celebrated at the same time. That is the 22nd anniversary of the declaration of the granting—

Mr. Speaker: I must call the honourable member to order. You do not have a point of order that I can identify, or a point of privilege as such.

Mr. Rae: On a point of order, Mr. Speaker: I do not know whether the Leader of the Opposition (Mr. Peterson) wants to say anything on this occasion to join with the Premier, but with the permission of the House, I would like to associ-

ate our party with the commemoration of Human Rights Day to say how much we appreciate the fact that the Premier himself has indicated the importance of this day for the province.

It is an extremely important statement by the Premier. While we may disagree from time to time as to what all the provisions of the Human Rights Code should be, and while we in our party do not regard the Human Rights Code as a closed book but rather see it as something which will always be in need of reform, change and expansion, we do recognize the importance of the work of the Ontario Human Rights Commission. We do recognize the importance of the protection that is provided today by the Human Rights Code to all the people of the province.

I also want to congratulate the Premier. I have not had an opportunity to see the statement on race relations and on the very real problems and tensions that, naturally, are exacerbated in times of economic difficulty by the fact that Ontario has become quite quickly a multiracial as well as a multicultural society. But I do want again, if I may—in a completely nonpartisan way—to congratulate the Premier on having introduced this statement.

We may disagree on some of the some of the emphasis; we may disagree on some of the implementation; we may feel, as we have shown from time to time, that we would like to see some aspects of employment standards law, labour relations law and other laws strengthened so that equality in race relations does become a reality. As someone who, as was pointed out many times in York South, went to the United Nations school—and not always to my advantage was this pointed out by members of other parties—I do appreciate the commemoration of this day in this Legislature. I think it is very important to all the people of our province.

Mr. Peterson: Mr. Speaker, I would like to associate our party with the statement of the Premier, too.

ORAL QUESTIONS

PENSION REFORM

Mr. Peterson: Mr. Speaker, my first question is particularly relevant to the statement. I will ask it of the Premier because I think it could do something beyond rhetoric to strike at what I consider to be an injustice in this province. It would assist in our nonpartisan fight together for better and more complete human rights in this province and in this country.

The question relates to pensions. The Premier is no doubt aware the federal green paper was tabled yesterday in Ottawa. He must also be aware that one of its recommendations is that the government of Canada will vigorously pursue implementation of the child-rearing drop-out provision with the government of Ontario. The Premier is no doubt aware that Ontario is the only hold-out in that regard and is using its veto to prevent women in this country, not just in this province, from achieving justice under the pension legislation.

How long will Ontario continue to exercise that veto to penalize women who drop out of the work force for a few years to raise their children?

Hon. Mr. Davis: Mr. Speaker, I have not had delivered to me the document that was released yesterday in Ottawa. I have read very hurriedly certain press comments.

I read some comments from other members on the other side of the House in the nation's capital where they reflected on the rather innocuous nature of the report. I would not prejudge it in that fashion because I have not read it nor studied it. I do not sense the Leader of the Opposition is prepared to describe it as an innocuous report.

I am delighted to see the Leader of the Opposition has such instant and ready access to these federal documents. I do not think I have received a copy as yet.

Mr. Kerrio: Pierre is going to deliver yours personally when you get together.

Hon. Mr. Davis: That is right—he will when we get together. I think the Treasurer (Mr. F. S. Miller), who might wish to reply to it in a more direct sense, has indicated the position of this province. This matter is one of concern to all of us.

It was either yesterday or the day before—it must have been the day before because yesterday I was at the inaugural meeting of the great region of Peel—that the Treasurer dealt with a similar question.

Mr. Peterson: Mr. Speaker, the Treasurer did not deal with it and that is why we are trying to deal with it with the Premier. That is exactly the reason I am asking about it today. He knows this is the only province objecting to this. He knows British Columbia dropped its veto. He knows almost every royal commission, every inquiry, every person who has ever looked at the pension question has asked why Ontario is holding out on this one small part of it.

I am not asking for complete pension reform

today. I am asking the Premier to show his good faith. All it would take is the matter of a phone call. Ottawa wants to change but this government has the veto. Will the Premier not put some substance into his fine words today on Human Rights Day, and bring human rights to those people who have been punished for years, exclusively by his behaviour? Why does he not show that good faith?

Hon. Mr. Davis: Once again, I think the Treasurer did effectively deal with this question. I do not think it is quite accurate to say that Ontario alone is holding this up.

Mr. Peterson: Absolutely accurate.

Hon. Mr. Davis: With great respect, I think the Treasurer indicated to the Leader of the Opposition it was not sort of a theological matter for us at all; it was a question of relating this to other possible changes in the whole area of pensions. It should not be considered a package—I do not like that terminology—but in conjunction with other suggested alterations. I think the Treasurer made it quite clear we were trying to approach this in a reasonable and responsible fashion.

It is a complex matter. The honourable member takes out one single aspect of it, which we acknowledge is important, but the intent of the Treasurer and of this government was to provide some leadership along with the other provinces, dealing, we hope in a co-operative fashion, with the government of Canada on the whole question of pension reform. I think that is what I heard the Treasurer say to the member earlier this week.

10:20 a.m.

Mr. Rae: Mr. Speaker, the Premier will realize, I am sure, that the green paper is being referred to a special parliamentary task force, which is expected to take up to a year to report. It is expected that consultation with the provinces will be yet another year. That is two years in this global reform package the Premier talks about and the Treasurer talked about a couple of days ago.

Does the Premier not think there is a very real danger of forgetting about some very simple and basic reforms, such as allowing women to drop out from the plan for a time in order to take care of their children and then go back into the plan without being penalized? Does he not think there is a danger this will be lost sight of in this miasma, this two-year, oozingly long process that is now being embarked on by Ottawa?

Hon. Mr. Davis: Mr. Speaker, on this Friday morning I will not be provocative and suggest other oozingly long things that have occurred in the past period of time.

Mr. Rae: It hasn't been two years, though.

Hon. Mr. Davis: Well, sitting over here it felt like two years.

I think the Treasurer—and once again I was paying attention, but I cannot refer specifically to what he said—indicated a very genuine sympathy for the item the Leader of the Opposition has raised. Having been present for discussions with other Premiers, my guess is that at the meeting of Ministers of Finance and Treasurers in the next few days this subject will be raised.

A fair amount of homework has been done on the green paper. I say this in all modesty, not for myself but for the Treasurer, that a lot of it was on the initiative of the Treasurer of this province in conjunction with our colleagues in the rest of Canada.

My own view is that certain changes could be made, not covering the entire area encompassed by the green paper but perhaps encompassing this item. And I think there may be some others that really would not require a year of study by the committee of the House and then a year of discussion with the provinces. I think there are some areas that could move far more expeditiously than that. I sense from the Treasurer that this item—not the item relating to the Leader of the Opposition's question but the question of pensions—will be discussed by the Ministers of Finance and Treasurers when they meet.

Mr. Peterson: I think we recognize the complexity of this issue and the difficulty of trying to get unanimity across this country. It is one of the most complex issues we are facing as a nation. I recognize that.

But I am asking the Premier to separate this particular issue. I am saying it is not complex; I am saying that he is alone in holding out; I am saying it should not be tied to any other pension reforms, and it would be very easy to do tomorrow.

The Premier has been asked about this since 1977. He has always said: "We are thinking about it"; "We are considering it one way or the other"; "We are not really against it; we are not really for it." He has never really committed himself.

Why does he not take that one small step forward and say: "This is our declaration of good faith. We are interested in pension reform,

and it is better to light one candle than to curse the darkness”?

Hon. Mr. Davis: I will not comment on the lighting of candles. I light a candle for the honourable member on occasion in great expectation. Some days I am encouraged, some days I am disappointed. No, I do not really light candles; I just think about it.

I did listen very carefully to what the Treasurer said on Tuesday or Wednesday. I sense from his observations that he not only was not unsympathetic but was in fact sympathetic to this aspect of pension reform. I think the Treasurer went on to say he felt that consideration of this along with the other provinces and the government of Canada, perhaps with some other items—we are not going to deal with the total area of pension reform in the next two weeks or six months. I think all of us acknowledge that. There are perhaps three or four items but do not ask me to speculate on what they might be. Obviously this would be one of those that could be considered in a much shorter time frame.

Mr. Peterson: The Premier has been sympathetic for about four years now. His concern is about like that of the Provincial Secretary for Social Development (Mrs. Birch).

MORTGAGE PRACTICES

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations. The minister is aware of the discussion we had yesterday in the House about a building located at 49 Yonge Street which is the head office of Greymac Mortgage and Greymac Trust Co. Subsequent to that I have learned some additional facts I want to bring to the minister's attention and then ask him a question.

To recap from yesterday, he is aware that building was bought in 1978 for \$600,000 and was bid up through a series of transactions to \$4.15 million in 1981 in terms of value. Is the minister aware that on May 6, 1982, Greymac Mortgage sold that same building to a numbered company for \$5.5 million? The sole director of the numbered company is one Victor Prousky, a director of Crown Trust. In doing this, Greymac Mortgage took a \$3.5-million mortgage at 15 per cent.

Then on July 28, 1982, less than three months later, that same building was sold for \$7.5 million to another numbered company, one of whose directors is the same Victor Prousky. They assumed a first mortgage for \$3.5 million, back to Greymac Mortgage, and took out

another mortgage to Greymac Trust for \$3 million. Originally it was a mortgage back to the vendor company but eventually was signed to Greymac Trust.

What we have now is a building presumably worth \$7.5 million with mortgages on it of \$6.5 million. The annual interest is \$825,000. That building is leased by the numbered company back to Greymac Mortgage and Greymac Trust Co. for the identical amount of money, \$825,000, so no real money is exchanging hands. Does the minister think this is a normal business practice?

Hon. Mr. Elgie: Mr. Speaker, yesterday the Leader of the Opposition and I exchanged observations on the transaction. At that time I indicated to him, and I mean this quite sincerely, that undoubtedly it is of interest to the Legislature, to myself and to the public to learn of specific examples of transactions in which the same principles brought to our attention in the Cadillac Fairview transactions are exemplified.

If he expects me to respond to each instance and to comment on each transaction he brings to the attention of this Legislature, when I already have a special examiner looking into a number of trust companies and a mortgage company with respect to the conduct of their business, with particular reference to the issuing of mortgages and the limitations imposed under the Loan and Trust Corporations Act with respect to mortgages, I have to say it is impossible. It is not appropriate when there already is an examiner looking into the conduct of the businesses involved in those transactions from the mortgage point of view.

Mr. Peterson: It is only because we brought these things to the minister's attention that we are getting any action out of his ministry at all. That is the reality.

Does it not concern the minister that these assets appear to have been bid up in a series of transactions that are going to require him to move with a considerable amount of dispatch, given the regulatory authority he has through the various emanations of his ministry and the fact that a number of these transactions have transpired since there have been inspections by various branches of his ministry at various times? Is he not worried that this thing may be getting ahead of him?

10:30 a.m.

Hon. Mr. Elgie: I accept as genuine the member's concern about transactions we are seeing that escalate property values in ways that I am sure confound the public and us. I hope he

will agree that is the very reason we have taken this matter as seriously as we have and have left our options open with respect to other steps that may or may not need to be taken, depending upon the results of the examination we now have under way.

Mr. Rae: Mr. Speaker, do I understand that the minister now is saying the inquiry of the special examiner will extend to all the transactions and all the business of Greymac Trust and Seaway Trust. Is that correct?

Hon. Mr. Elgie: Yes, Mr. Speaker.

Mr. Rae: Then, if it is true that the inquiry is extending to the conduct of all the business of these companies, can the minister tell us how long he thinks this inquiry is going to take with respect to Cadillac Fairview?

Hon. Mr. Elgie: Again, I would not want the leader of the third party to endeavour to leave the impression that there is something new added.

From day one, I have said very clearly what the terms of reference were for the Morrison examination. I have clearly said, in line with section 152, that the terms of reference are to make a special examination and to inquire generally into the conduct of the business. That does not mean that each day I will drop in and ask, "Have you looked at so and so?" It means the examiner is inquiring into the conduct of their business and into any specifics that he deems appropriate.

I hope my friend will agree that this is the appropriate step for the government to take at this time.

Mr. Peterson: With great respect, that is not what transpired at the beginning of this inquiry. Even the Premier (Mr. Davis) said the object of the Morrison inquiry is to look into the valuation of some of the attendant properties with respect to the Cadillac Fairview sale. The issues we are talking about are outside of those particular sales; we are widening the scope of the inquiry. Whether or not the minister wants to admit it is immaterial, because he is doing it by his actions.

But there is an immediate problem I want to ask about. The immediate problem is the valuation of the capital assets with respect to the mortgaging provisions of up to 75 per cent under the Loan and Trust Corporations Act. Does the minister not think that requires an immediate response, to look at those things to make sure there are no violations of the Loan and Trust Corporations Act in this province?

Hon. Mr. Elgie: Again, I do not think my friend should try to mislead the public or anyone else as to the purpose of the investigation. Clearly it is in response to the terms and conditions that are placed upon trust companies under the Loan and Trust Corporations Act and particularly in relation to their role in the provision of mortgages.

But there has been absolutely no change in the directions given to that commission from the day it was started. Indeed, the order setting out the terms of reference was dated back in November. So there has been no change in my directions to the Morrison inquiry. I like to think that we want the same thing in this particular issue as the honourable member, and if we do not, then I think my friend may be on the wrong wicket.

Mr. Kerrio: You are using the public, and you know it.

Hon. Mr. Elgie: Who is?

Mr. Kerrio: You are, and you know it—and all those trust companies.

Mr. Speaker: Order. If the member for Niagara Falls and the minister want to carry on a private conversation, I suggest that they do it outside the chamber, please.

PENSION REFORM

Mr. Rae: Mr. Speaker, my question to the Treasurer concerns pensions, it concerns the answers he gave the other day and it concerns the lack of response of this government—not to the green paper on the question of pension reform and the transformation of private plans and of the Quebec and Canada pension plans, which are quite separate questions that now clearly have been deep-sixed by the federal government; the question I am asking him has to do with something that is entirely within the jurisdiction of the provincial government, entirely a provincial question and entirely within his responsibility and the responsibility of the cabinet.

It has to do with the guaranteed annual income system question and the income maintenance question. Given that pension reform clearly has been put on the back burner with respect to the general reform of the system, does the Treasurer not think it is now important and right for him and the cabinet to respond to the very immediate income needs of those who now are over 65, those single elderly who now are receiving a little more than 52 per cent of what is going to couples? Does he not think that is an immediate poverty problem? There is

nothing holding him up. He cannot blame the feds. Does he not think he himself should move in that area right now?

Hon. F. S. Miller: Mr. Speaker, it shows how little my colleague really understands about the process when he keeps saying that is entirely within my jurisdiction, that it is not something I can blame on the feds, that it is not something they should be involved in.

I do not know how much time the honourable member has spent on the green paper. Does he have a copy of it yet? Does he have a copy in his party?

Mr. Rae: Yes. Upstairs.

Hon. F. S. Miller: He has a copy. Have any members of his party read it today?

Mr. Speaker: Answer the question, please.

Hon. F. S. Miller: I do not think the member has read it; that is what I am trying to point out. I do not think he has read it because the first recommendation is that the situation of low-income single pensioners will be improved by the federal government.

Mr. Rae: In Alberta, the single maximum provincial supplement is \$95. That is practically twice what is paid by the Ontario government. In the Yukon it is \$100 monthly, and in the Northwest Territories it is \$75 monthly.

There is nothing holding back the provincial government other than its own tight-fistedness with respect to the problem of poverty. That is the only thing holding the government back.

Mr. Speaker: Question, please.

Mr. Rae: My question is, there is nothing holding the government back; why does it not act now?

Hon. F. S. Miller: I think the member, by his very postscript, indicated he made a statement, not a question.

Ms. Copps: Mr. Speaker, I want to ask the Treasurer whether he agrees with the letter that was written by the Community and Social Services critic for the New Democratic Party, who said in a letter to municipal councils that the welfare system is going to bankrupt us.

Hon. F. S. Miller: Mr. Speaker, I could not hear the last part of the question.

Ms. Copps: Does the minister agree with the letter that was written by Richard Johnston to municipal councils all over Ontario, saying that the family benefits allowance, Gains and the

welfare system were going to bankrupt this province?

Hon. F. S. Miller: No.

Interjections.

Mr. R. F. Johnston: Mr. Speaker, on a point of personal privilege: Now that I have the attention of the House, I am not surprised by the tactics of the member for Hamilton Centre (Ms. Copps). It is something we are not surprised about at all. I will just say that that is not what was in the letter; she knows that very well. If she wishes to read the letter to the House, she may do so. I never did suggest that.

Interjections.

Mr. Speaker: Order.

10:40 a.m.

Hon. Mr. Ashe: Read us the letter.

Mr. R. F. Johnston: I have the letter here.

Interjections.

Mr. Speaker: Order, please. Will the honourable member resume his seat, please? I do not want to sound sanctimonious; however, if the member will refer to the standing orders, he will see that this is not allowed. It is not a point of order, I must rule immediately.

Mr. R. F. Johnston: You let the princess of innuendo get away with everything, eh? Not one iota of fact.

Interjections.

Mr. Speaker: Order, please. The member for Bellwoods with the final supplementary.

Mr. McClellan: Mr. Speaker, my question is to the Treasurer and arises out of his most recent answer in this exchange. We are perfectly well aware that improved benefits for the poor elderly are part of the green paper package which my leader has said the federal Liberals have deep-sixed and sent into exile for the next two years.

I know the Treasurer is relieved that expansion of the Canada pension plan has been shelved. The Leader of the Opposition, who is opposed to expansion of CPP benefits, is also relieved by the deep-sixing.

I want to ask the simple question for the fifth or sixth time since it has been raised. Is the Treasurer going to wait for the full two years before he adjusts the Gains single rates in Ontario? Or is he going to continue to use federal inaction and discombobulation as an excuse to keep many tens of thousands of single pensioners in a state of poverty?

Hon. F. S. Miller: Mr. Speaker, there have been parallel efforts going on in Canada. Because the federal government through Mme Bégin was making a set of comments about major changes in the pension program, it was obviously very difficult for the provinces to bring forward any set of recommendations until we knew at least where the federal government was starting from.

However, rather than wait for that to happen, Ontario, before I became Treasurer—and that is more than five years ago—set up a royal commission. The honourable member knows the royal commission carried out a study and made a set of recommendations, and he knows Ontario formulated a position from that.

Ontario then went to the other nine provinces, including Quebec, and asked that at least we get our act together internally so we would have a unified position once the green paper came out. That has happened. Mind, two governments have changed in that period of time. There has been an exchange of a Conservative government for an NDP government in Manitoba and an NDP government for a Conservative government in Saskatchewan. It is a fair switch, I suppose. In any case, we are not sure of those two provinces. We are reasonably sure of the others.

We have seen a very much modified federal position brought forward. The member has heard the federal Minister of Finance say, "Why bring one forward at a time like this?" Well, one of the reasons is that we have to take some steps, and we know it will take some time, to be ready to get rid of not only the discrepancies in the present program but also the basic flaw so often alluded to by the leader of the Liberal Party when he was my critic; that is, how does one pay for all of it?

In all the discussions today, it has been conveniently forgotten that the major complaint I was getting from the member's party a couple of years ago was how we pay for it. I have always said from the very beginning that how we can pay for it is a very critical part of a pension program. I have to suggest that we must work on that. I have no desire to be one of those ministers who gets temporary political glory from giving away something that bankrupts a future government.

Mr. Peterson: On a point of privilege, Mr. Speaker: Because of the exchange, I am obliged to correct the record and make sure there is no misunderstanding because of the interjections.

There are two points I have made. First, any

change in the child-rearing drop-out provision will not cost the province anything; indeed, the price tag for the country is very small. Second, I have criticized the government for borrowing from pension plans in the past. It has recognized that, of course. We know this province owes billions and billions of dollars to pension plans and to the Canada pension plan in particular. The members of the government party criticize prostitution while living off the avails of it. That is exactly what is happening. I just do not want them to put up with any of this—

Interjections.

Mr. Speaker: Order.

CONVERSION OF RENTAL UNITS

Mr. Rae: Mr. Speaker, my question is for the Minister of Consumer and Commercial Relations. It concerns the conversion of a group of apartments, under the ownership of a firm called the Toronto Apartment Building Co. Ltd., into apartment hotels. Clause 4(a) of the Residential Tenancies Act, as the minister will know, exempts from rent review "transient living accommodation" provided in a hotel.

The buildings I am concerned about are at 3950 Lawrence Avenue East, 15 Orton Park and 1050 Markham Road. At 1050 Markham Road, for example, about 80 of 210 units have been converted from apartments to apartment hotels with a dramatic change in the nature of the tenancy and the nature of the rent. There is some evidence of real pressure being put on the tenants to get them out of the building one at a time so that this conversion can take place. I ask the minister to investigate this matter.

Does he not believe that this kind of conversion represents a subversion of the purposes of the Landlord and Tenant Act, which are to protect security of tenure and to protect tenants? Does he not agree that this could be a subversion of the act?

Hon. Mr. Elgie: Mr. Speaker, there are two aspects of the problem. First, there is the Landlord and Tenant Act, which, as the leader of the third party knows, does not come under my ministry. Second, there is the issue of conversion of apartments to some other purpose. We had some discussions about this with the chairman of the Residential Tenancy Commission in committee. Two members of the New Democratic Party were there. We went into it in some detail.

Certainly I think the commission takes its obligations very seriously with respect to mak-

ing certain that any purported conversion is a real change in the nature of the operation of a building. It is not to be tolerated if it is seen to be a subversion of the act.

I certainly will be pleased to request the commission to look at these matters, if it is not already doing so. There are some cases before it, but I do not know whether they involve those particular buildings.

Mr. Rae: Can the minister tell us exactly what powers the Residential Tenancy Commission has to stop this kind of conversion and this kind of destruction of the purposes of rent review? Can he specify what guidelines exist? In a sense, it means a landlord can get out from under the jurisdiction of the commission. The minister will notice that indeed there may be a problem there. I am not quite sure whether the commission has the powers it needs to deal with this problem.

Hon. Mr. Elgie: It was my impression in committee and during discussions with the chairman that the commission did have the very real power to look at such conversions. Certainly I will be glad to speak to the chairman about it and get his views on it.

Mr. Philip: Mr. Speaker, since the Minister of Municipal Affairs and Housing (Mr. Bennett) has flatly refused to give municipalities the power they have asked for under his acts to deal with the problem of converting affordable rental accommodation to other uses, and since the Minister of Consumer and Commercial Relations has already made two attempts under two different acts to plug various loopholes, when can we expect some comprehensive legislation from this government so that this type of conversion does not go on over and over again, as it has done for the past few years?

Hon. Mr. Elgie: Mr. Speaker, I believe the member for Etobicoke is trying to be fair about the issue. He knows full well that when an issue came up in another community with respect to the conversion of an apartment building into something other than that, I did introduce an amendment to the Securities Act in an endeavour to plug that so-called loophole. I also indicated this issue of conversions to other types of use was a matter that the Minister of Municipal Affairs and Housing and I would have to discuss, and we will be doing it.

10:50 a.m.

ONTARIO MUNICIPAL BOARD APPOINTMENTS

Mr. Conway: Mr. Speaker, my question is to

the first minister. I want him to clarify some confusion that has arisen as a result of an interview he gave to the Canadian Press earlier this week.

My question has to do with whether the Premier personally saw the notorious letter authored by Morley A. Rosenberg, QC, dated June 18, 1982, prior to his appointment to the Ontario Municipal Board, about which letter the Attorney General (Mr. McMurtry) indicated in the standing committee on administration of justice earlier this week: "Obviously it would not have enhanced his," namely, Mr. Rosenberg's, "position," and "I don't think the Premier was aware of the letter."

Can the Premier indicate whether he saw the letter and what were the circumstances prior to and leading up to the appointment of Mr. Rosenberg in September this year?

Hon. Mr. Davis: Mr. Speaker, I cannot really relate the circumstances. I thought I made it quite clear to the young lady from the Canadian Press that if I were not aware, I would never say so. I would never hide behind the fact that I said I was not aware. In reality, I would be aware. I made it quite clear that I would never use that as an excuse in any event.

It is also fair to state that on recommendations of this nature to cabinet, letters that come in from a number of sources seeking appointments, etc., are never brought to cabinet in terms of the process. But I want to make it abundantly clear, if it did not appear that way in the Canadian Press—and I thought I had stated it—that from my standpoint, I would never take the position that I had not seen that letter.

Interjections.

Mr. Speaker: Order. The member for Renfrew North with a supplementary.

Mr. Conway: Mr. Speaker, we are left with no other conclusion but that which leads us to the fact the Premier did in reality see the notorious letter of the plaintiff-suppliant, Mr. Morley Rosenberg. Will the Premier not agree that it remains wholly inappropriate for him to walk not too many days hence into the halls of justice nominating this self-confessed dissembler to a position where over the coming months and years he will dispense justice to the rest of the community?

Will the Premier not agree that notwithstanding whatever arrangements were entered into by whomsoever, it is just not good enough for the people of Ontario and it is simply not only

not going to assist the Attorney General or anyone else on either side of House who wants to construct the most qualitative and credible administration of justice that is possible but also that we will be seen to be doing so?

Upon reflecting in that connection, does he not think the time has come to withdraw that nomination and, if some watertight agreement were entered into by men of goodwill and common understanding, to reassign Mr. Rosenberg to some other assignment outside of the administration of justice?

Interjections.

Mr. Speaker: Order.

Hon. Mr. Davis: I make two points, which I believe I made at the time when this was initially raised. To the best of my knowledge, there never was a commitment to Mr. Rosenberg to go to the provincial court bench; I am totally satisfied of that. There is no doubt whatsoever in my mind. The honourable member can accept that or not. I sometimes regret that the member for Renfrew North perhaps perceives something that is not there and I know I will not persuade him to change his mind.

The decision, and it is a very simple decision, is a question of judgement. The government has determined—and I accept the responsibility as head of government; I say to the member for Renfrew North that I was not prepared to have what had been to my knowledge, and I have met Mr. Rosenberg on two or three occasions at the most, I was not prepared to see his career, his experience and his ability—and I sensed at the meeting when the Attorney General was presenting his estimates that some members opposite fully appreciated the fact that Mr. Rosenberg had the qualifications to go to the Ontario Municipal Board.

I sensed there was some agreement on that; so the very simple decision for government is: Do you penalize an individual, a man who has committed a good part of his adult life to public service, a person who is respected at the bar, which I assume to be the case because I have never heard to the contrary? Do you penalize a gentleman who is recommended—and I am not interjecting this to be provocative—by the former leader of the New Democratic Party for the first time for a Queen's Counsel; I think recommended or supported by a friend of the member for Kitchener (Mr. Breithaupt)? Do we say to that individual, because of one error in judgement—and no one is quarrelling with that error in judgement on his part—do we say as a

government, "Mr. Rosenberg, your future in terms of the law or in service on the Ontario Municipal Board is precluded from that"?

The simple judgement was that very real mistake or error in judgement did not, in my view, put me in a position where I was going to say to that individual, "You will not have an opportunity to serve." The member can read whatever motivation into that he wishes. I only say to him, very simplistically, there is no motivation; there was no commitment to appoint him to the bench. But in my judgement and that of the government, it was not the kind of thing we would say to Mr. Rosenberg: "You have been judged unfit; your public service is ignored; your capacity at the bar is irrelevant."

ALLIED CHEMICAL DISPUTE

Mr. Cooke: Mr. Speaker, I have a question for the Minister of Labour; it deals with the strike at Allied Chemical in Amherstburg. Is the minister aware of the strike and, if he is, is he aware that this company, in an effort to break the union, is helicoptering in not only supplies but also scabs?

Is the minister also aware that the company spent approximately \$500,000 to prepare for this strike and to battle and destroy the union? Does he not agree that this is another example that demonstrates the need in Ontario for legislation that outlaws scabs in legal strikes?

Hon. Mr. Ramsay: Mr. Speaker, that matter was brought to my attention. I was already aware of it, but it was brought to my attention a number of days ago by the member for Essex South (Mr. Mancini), and he expressed the same concerns that the honourable member is expressing today. The matter has been looked into and there are options open to the unions; that is, to take the matter to the Ontario Labour Relations Board. That is what we have advised them to do.

Mr. Mackenzie: Mr. Speaker, is the minister giving any consideration to legislation that would prevent this kind of activity, which is certainly going to have ramifications in terms of any future relationship in that company? In other words, can we expect any look at the use of strikebreakers in a situation like this?

Hon. Mr. Ramsay: Mr. Speaker, we are studying a brief that was presented to us by the United Steelworkers in conjunction with the Ontario Federation of Labour in respect to strikebreaking. We are looking at that with

considerable interest, but I am not in a position to say what action, if any, will be taken.

11 a.m.

Mr. Wrye: Mr. Speaker, my friend the member for Essex South raised the matter with him, as the minister pointed out. Does the minister not believe the time has come for his ministry to deal with this in a more affirmative way to come up with some new actions and initiatives to prevent the kind of problem that has broken out again at Allied Chemical?

Even if the union should go to the board and take action there, when these disputes eventually end there is a lingering bitterness between the two sides that may never go away. Does he not believe it is time he put some legislation in place that will not only protect one side or the other during a strike, but will protect both sides and society in general from the kind of lingering bitterness I believe has caused considerable harm to labour relations in the province?

Hon. Mr. Ramsay: Mr. Speaker, I feel quite strongly that our mediation services are not just called into play during a disagreement on a collective agreement. We have mediation services that have proved to be very successful in addressing the problem of lingering bitterness the member is talking about. There are many success stories in that respect.

CONTAMINATED WATER IN SCHOOL

Hon. Miss Stephenson: Mr. Speaker, yesterday I was asked a question by the member for Windsor-Riverside (Mr. Cooke) pertaining to a situation that arose recently at Colchester North Central Public School which is under the jurisdiction of the Essex County Board of Education. The problem of surface water seepage occurred on or about November 25 and the school authorities were not aware of the problem until early Friday morning, November 26.

The children in the school were advised immediately not to drink the water and within two hours potable drinking water had been brought in from the municipality for all the children. The school was not closed, because as soon as the problem was recognized good drinking water was supplied.

There was a very high rate of absenteeism on those two days, but some of those who were ill had not consumed any of the water which came from the well. An additional complication on the two days was a very heavy application of liquid manure by spraying by the school's next-door neighbour on his property. This method of

application caused such a strong odour some children had gone home sick because of it.

The medical officer of health for the area, Dr. Jones, says he was misquoted on the issue and denies saying there was a proven connection between the well seepage and the incidence of illness.

The well has now been declared safe and the apparent cause of the problem has been corrected. All other school wells have been subsequently checked and water quality is tested, as most of the members know, monthly by the health unit and more often by the board's maintenance personnel.

In summary, the school was not closed and direct communication with the parents was not made, because as soon as the seepage problem was identified the children were denied access to the tap water and within a short time potable water was available. The school authorities acted quickly to avoid the cause of the problem and, therefore, it was not necessary to close the school.

Mr. Cooke: Mr. Speaker, on November 25, 92 students and staff were sick and on the following day an additional 62. Is it not obvious to the minister that at that point, with over 150 students and staff ill, the school should have been closed until the exact cause of the problem was determined by the medical officer of health? It had not been determined at that point.

Does the minister not admit there was a serious problem of communication if the parents and staff did not know it was the drinking water until the story appeared in the Windsor Star in the middle of this week?

Hon. Miss Stephenson: It is my understanding the staff was very much aware of the problem with the drinking water as soon as it was discovered, which was on November 26. It was perhaps unfortunate the board did not see fit to notify the parents of the cause, of the difficulties that had arisen and of the action which had been taken.

PROJECT CANADA

Hon. Miss Stephenson: Mr. Speaker, yesterday as well the member for Kitchener—

Mr. Speaker: Waterloo North.

Hon. Miss Stephenson: The member for Waterloo North (Mr. Epp) asked about an application form for Project Canada which had been mailed to schools and had been received later than the date the form was to be completed. I should tell the honourable members that

Project Canada is a project in which the special projects branch of the ministry is very much involved.

The process of preparation of the application forms was begun in July 1982 by the special projects branch. All procedures within the Ministry of Education were completed by September 22. Because the project has to be described in a brochure in which the application form is included, it was sent outside the ministry for printing. The printed copies of the brochure arrived back on November 26, with the dates which had been specified in September printed in them. They were immediately mailed out without the dates having been changed.

I should like all honourable members to know that those 54,000 copies of the brochure which were mailed do specify the date of November 30 for the receipt of applications. However, we are very much aware of the difficulty and will accept applications because of the delay which has been caused in this process. They will be processed as they arrive.

Mr. Bradley: Mr. Speaker, regarding the case the member for Waterloo North brought to the minister's attention, I am aware of the specific case because it happened to involve someone in my riding. That individual has provided me with several instances where this has happened, where this material has arrived too late to be acted upon in a reasonable time.

Would the minister be prepared to review her methods of disseminating information to the various schools in Ontario so they can take advantage of what are, on many occasions, some very good programs? This is not the first time it has happened. There are other instances about which I will give her specifics. The problem is it has happened more than once and, in my view, often.

Hon. Miss Stephenson: Mr. Speaker, since the honourable member has failed to bring to my attention any item other than that raised by the member for Waterloo North, I have some difficulty in understanding his complaint. If he feels we have been negligent in the prompt delivery of materials that have time limits, then I would like to know the instances. If there is a problem, I will most certainly look into it. However, this one is a very real problem and those application forms will be accepted as they are received.

KOZAK TREATMENT PROGRAM

Mr. Ruprecht: Mr. Speaker, I have a question for the Minister of Health (Mr. Grossman) and I

have been waiting half an hour for the minister to resume his seat so I could ask it. I know he must be some place, out in the front, on the side or in the back. Could you get him to come in, Mr. Speaker?

Mr. Speaker: If the minister is not in his seat, you cannot very well ask him a question.

Mr. Ruprecht: I will ask the question and I hope the minister will listen while he is—oh, he is in the back. I see the Provincial Secretary for Social Development. Perhaps I could ask her to answer the question.

Mr. Speaker: Place your question, please.

Mr. Ruprecht: In response to an inquiry from a patient suffering from epidermolysis bullosa, the Minister of Health has indicated that negotiations regarding the work of Pavel Kozak in Canada have resumed. To indicate to the minister how much support the public is willing to give in this move to come to some kind of satisfactory agreement, I was instructed by the Kozak committee to present to the minister petitions signed by over 9,000 people, and there are more to come. I would like to present these petitions to the minister if I could get them taken over there.

Mr. Speaker: Question please.

11:10 a.m.

Mr. Ruprecht: The public is most anxious to know just what stage these negotiations have reached and when we can expect Mr. Kozak to work, in whatever capacity—and not necessarily in the capacity of having his own clinic; I want to make that absolutely clear—in Ontario.

Hon. Mrs. Birch: Mr. Speaker, I will take the honourable member's question under advisement.

Mr. Ruprecht: I did not understand what the minister said. Could she repeat that, please?

Hon. Mrs. Birch: I said I would take the question under advisement.

Mr. Ruprecht: Mr. Speaker, this is a great indication of just where we are in Ontario with respect to health care.

Mr. Speaker: Supplementary, please.

Mr. Ruprecht: Let me also indicate to the House while I ask my question—

Mr. Speaker: I would rather you asked the question.

Mr. Ruprecht: Yes, I will ask the question. I have many affidavits from many of the patients who are supposed to be treated adequately, as the Minister of Health has indicated, in Toronto

in three hospitals. The problem is—through a question—that none of these people—

Mr. Speaker: "Is the minister aware . . .?"

Mr. Ruprecht: —who has signed these affidavits has indicated that there is adequate health care in these hospitals to treat these kinds of skin diseases.

I want to know why there is such general reluctance, which one can liken to pulling teeth, by this ministry to sit down with Mr. Kozak himself when he is in town. Why is it not possible for the minister himself, or any one of his agents through his ministry, to sit down with Mr. Kozak or his representatives? Finally, I would like to know why even the ministry's solicitor, who is not even employed by the ministry but just hired, is not even willing to discuss this issue with Mr. Kozak's solicitor.

Hon. Mrs. Birch: I assure the honourable member that the Minister of Health will respond to that very long-winded question.

FOREST MANAGEMENT

Mr. Laughren: Mr. Speaker, I will have to put my question and supplementary to the Minister of Natural Resources all into one, in view of the time.

Mr. Gordon: That is hard for you to do, isn't it?

Mr. Laughren: Possibly.

The minister will know that he has a blanket exemption for forestry activities under the Environmental Assessment Act and that this exemption expires three weeks from today. When that exemption was granted back in April of this year, it was in order to give the ministry time to prepare a document that would explain the effects of forestry management activities on the forests and crown lands in Ontario.

Can the minister tell us today whether or not he intends to ask for an extension of the exemption, which is due to expire at the end of this month, as I say; second, whether or not the document that his ministry was given time to prepare has in fact been prepared; and third, if the minister is intending to get a continuation of the exemption, will he then specifically refer forestry activity exemptions to the new advisory committee that is going to be advising the Premier (Mr. Davis) on exemptions to the Environmental Assessment Act?

Hon. Mr. Pope: Mr. Speaker, the status of forestry activity exemption from the Environmental Assessment Act, class exemptions and the timing of filing of documents is under

discussion with the Ministry of the Environment. I have personally attended a couple of meetings over the past few months. We are attempting to satisfy the staff of the Ministry of the Environment with respect to some logical processes, and as soon as we have completed the negotiations we will let the honourable member know.

Mr. Laughren: Would the minister not agree that if major activities, particularly those north of the 50th parallel such as aerial spraying and the building of roads in remote areas, are not subject to the Environmental Assessment Act, he is really holding the entire environmental assessment process in Ontario in contempt and making a mockery of it? Will the minister assure us that if there is a continuation of allowing that kind of exemption, those kind of projects will be referred to that advisory committee?

Hon. Mr. Pope: For the last 18 months we have been working with every single interest group in the province to get a planned development program in place for our forestry sector and for the lands in northern Ontario. No other ministry has worked more at public participation and consultation with all the interest groups, and I think we have a couple of models that have a lot of—

Interjections.

Hon. Mr. Pope: They want to stop development. We want to make it happen on a planned basis that will respect the environment.

Mr. Speaker: The time for oral questions has expired.

Mr. Shymko: Mr. Speaker, on a point of privilege: I hope you will allow me to raise some of the remarks that I wanted to raise earlier, when I was—

Mr. Speaker: With all respect, I must point out to the honourable member that he does not have a point of privilege, neither is there any provision in the standing orders to allow for or accommodate what he wishes to do.

Ms. Copps: Mr. Speaker, pertaining to the letter to which I alluded during question period, I would like to read the letter into the record just so that—

Mr. Speaker: No. There is no provision for that either. The honourable member does not have a point of privilege or order.

Ms. Copps: My privilege is that I believe I overstated the case when I did state that he—

Mr. Speaker: No.

Ms. Copps: I would like to correct the record by including—

Mr. Speaker: Whatever. The only matter, with all respect, that was out of order was that you referred to the honourable member by name rather than by riding. I think we could say that we could correct the record to have it read, “the member for Scarborough West.”

Mr. Ruprecht: Mr. Speaker, on a point of privilege: I understood that if a minister was not present he would at least inform the House leaders that he would not be here so he could be excused—

Mr. Speaker: Order. That is not a point of privilege and there is no—

Mr. Ruston: But it was a good point.

Mr. Speaker: No, it is not really, because I do not know of anything that provides for that information.

PETITION

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT BILL

Mr. Kolyn: Mr. Speaker, I would like to present a petition to the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario, which states as follows:

“We, the undersigned, beg leave to petition the Parliament of Ontario as follows: We request that the honourable members seek the withdrawal of Bill 127, an Act to amend the Municipality of Metropolitan Toronto Act.”

Mr. Speaker, as a government whip, I am tabling these petitions on behalf of my colleagues. Thank you.

REPORT

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Mr. Andrewes from the standing committee on resources development reported the following resolution:

That supply in the following amounts and to defray the expenses of the Ministry of Municipal Affairs and Housing be granted to Her Majesty for the fiscal year ending March 31, 1983:

Ministry administration program, \$16,438,000; community planning program, \$47,634,000; land development program, \$16,270,000; community development program, \$42,993,000; Ontario Housing Corp. program, \$149,291,000; Ontario

mortgage program, \$51,159,000; and municipal affairs program, \$694,191,000.

11:20 a.m.

INTRODUCTION OF BILLS

FUEL TAX AMENDMENT ACT

Hon. Mr. Ashe moved, seconded by Hon. Mr. Ramsay, first reading of Bill 203, An Act to amend the Fuel Tax Act.

Motion agreed to.

Hon. Mr. Ashe: Mr. Speaker, this bill will remove the requirements now contained in the Fuel Tax Act 1981 that the applicant for relief from the cost of construction or acquisition of tanks for the storage or transportation of fuel and which are required in order to comply with the terms of the coloured fuel program must obtain the minister's approval prior to the commitment of any funds for that purpose.

As well, certain administrative amendments are provided which will extend the authority of the Lieutenant Governor in Council and the minister to make regulations.

LAND TRANSFER TAX AMENDMENT ACT

Hon. Mr. Ashe moved, seconded by Hon. Mr. Ramsay, first reading of Bill 204, An Act to amend the Land Transfer Tax Act.

Motion agreed to.

Hon. Mr. Ashe: Mr. Speaker, this bill will provide the the necessary amendments to the Land Transfer Tax Act to ensure that a nonresident may not avoid the 20 per cent tax imposed on conveyances of agricultural land.

Without these amendments it is possible for a nonresident to avoid payment of the proper rate of tax through purchase of shares in a company which owns Ontario agricultural land or by acquiring the beneficial interest of a trust which owns agricultural land.

As well, a number of administrative amendments are included in the bill which will extend the notice of objection and appeals provision, extend certain rights to the spouse of a nonresident purchaser of land, recognize the single consolidated affidavit and provide for the determination of the value of consideration on certain conveyances.

WORKMEN'S COMPENSATION AMENDMENT ACT

Hon. Mr. Ramsay moved, seconded by Hon.

Mr. Ashe, first reading of Bill 205, An Act to amend the Workmen's Compensation Act.

Motion agreed to.

Hon. Mr. Ramsay: Mr. Speaker, I am pleased to be able to introduce a series of amendments to the Workmen's Compensation Act that are designed, in part, to increase permanent and temporary pensions and benefits for workers, increase the allowances for the dependants, increase the ceiling on covered earnings and clothing allowances, and change the name of the act to the Worker's Compensation Act and replace the word "employee" with the word "worker" in all relevant sections of the act.

The amendments I am tabling today are designed to make workers' benefit increases retroactive to July 1, 1982. I know this legislation has the support of all three parties in the House and I look forward to the rapid passage of the bill before the House recesses.

ORDERS OF THE DAY

House in committee of supply.

ESTIMATES, MINISTRY OF AGRICULTURE AND FOOD (continued)

Hon. Mr. Timbrell: Mr. Chairman, just before we proceed any further, on Monday, the last day we were considering the estimates of the ministry, the member for Welland-Thorold (Mr. Swart) touched on the question of Experience '82 and the involvement of the Ministry of Agriculture and Food in that program. I believe at that time he stated the budget for the ministry's involvement in Experience '82 had been reduced from that which we had enjoyed for Experience '81. At that time I indicated that was certainly not my understanding, and I would check to substantiate the figures. I want to report those figures to the member and to the members of the committee.

I guess the best way to do it is to give him the figures for this and the two subsequent fiscal years for the Experience employment programs for young people and to tell him of the involvement of the Ministry of Agriculture and Food. In fiscal 1980-81, the budget for the Experience program was \$13,500,000, of which the Ministry of Agriculture and Food was allocated \$687,600 or, as a percentage, 5.1 per cent, and that employed 661 people. In 1981-82, the budget for the overall program was the same, \$13,500,000, of which the Ministry of Agriculture and Food's portion was \$666,900, or 4.9 per cent, and that

employed 622 people. So there was a small decline between 1980-81 and 1981-82.

For the 1982-83 estimates we are considering now, which I am carrying for the first time, the budget for the overall program is \$13,750,000, from which the allocation for the Ministry of Agriculture and Food is \$935,500, which is 6.8 per cent of the total. We have gone from 4.9 per cent to 6.8 per cent of the total and we have been able to employ 829 young people with those funds, as opposed to 622 last year. I know the member would want his impression to be corrected and to have these figures on the record.

Mr. Chairman: Before we continue with the first vote, the member for Grey (Mr. McKessock) has requested consideration from the chair to have the opportunity to make a few remarks.

Mr. Swart: Mr. Chairman, on a point of order: I have no objection to that, but I wonder if for the rest of today we could continue with vote 1901. I was strongly of the opinion at our last sitting that we should move to vote 1902 and get into the details. Circumstances being what they are in this House now, we are perhaps going to be able to deal with only part of the remaining estimates before Christmas. If we could stay on this, we will see what happens by next Friday and we can go into the individual estimates at that time. I make that as a suggestion, but I do not feel strongly about it.

Hon. Mr. Timbrell: I would just point out, Mr. Chairman, before I started my response to the opening remarks last week I did ask, inasmuch as the official opposition has two people designated as agricultural critics, if the second critic was going to make an opening statement, and the answer was no. I would have stood down my responses until we had heard that statement. I am in the hands of the committee as to whether we finish vote 1901 or have another opening statement. It is really up to the committee.

Mr. Riddell: Mr. Chairman, I did not realize the deputy critic had an opening statement, but he tells me he does. If it is agreeable to the House I am quite agreeable to having him make his opening statement. But I think we do have to get on to the other votes as quickly as we can, because I know some of the members have some comments they want to make on the Ontario Veterinary College and the situation it is in at the present time. This comes up towards the latter part of the votes. I do not think we can spend all our time on the first vote and not get to

some of these other votes where we have some important matters to discuss.

11:30 a.m.

Hon. Mr. Timbrell: Mr. Chairman, to expedite it perhaps we can finish vote 1901. I do not know if there are any other items to deal with in vote 1901. When we get to vote 1902, which gets into more of the specific policy areas, perhaps the member for Grey (Mr. McKessock) could make his statement then. We could thus make some progress through the votes and items.

Mr. Chairman: My personal feeling is I would not mind clearing something off the deck such as the first vote. We have already spent a long time on it. Surely we are close to completion.

Mr. Swart: Mr. Chairman, I do not want to spend a lot of time on points of order because our time is limited, but it was for exactly this reason I suggested we stay on vote 1901 today. Under administration we can discuss any item. I thought it would not confine anybody if we stayed on this today until we see whether we are going to have any more time on the estimates at all. That was my reason for making that suggestion.

Mr. Chairman: All right. The member for Grey; I hope it is not two hours long.

Mr. McKessock: Mr. Chairman, I do not think anybody can remember when I made an extremely long statement so you can be assured I will not take up too much time.

I appreciate the opportunity to say a few words in the Agriculture and Food estimates. I think Agriculture and Food is the most important ministry we have. Deep down, everyone has to think that way because at least three times a day it comes very close to our minds and stomachs when we partake of the good food of Ontario. That is what agriculture is all about.

I want to congratulate the new Minister of Agriculture and Food on being appointed to his ministry. I said "his ministry" and I was going to criticize him a wee bit for saying "my ministry." I remember the minister saying a while ago he was called early one morning by one of the farmers who said, "I want to speak to my minister." I think this hit home to the minister and he began to realize then he was the minister of everyone in Ontario.

At the same time, I think the Ministry of Agriculture and Food belongs to everyone in Ontario. I feel the minister should say "our ministry" instead of "my ministry," although a lot of ministers do say "my ministry." When talking about their homes, I wonder if they

would say "my home" or "my family." Their wives would pull the reins quickly and have them say "our." It might sound a little better if he said "our ministry" rather than "my ministry."

I congratulate him on his appointment. This being his first estimates, it is good to be able to take part in it. I had some scepticism when the member for Don Mills was appointed agriculture minister because of his lack of agricultural experience. But he has been a high profile minister in the cabinet and we took the optimistic view that this was a good appointment and could give agriculture a higher profile in the cabinet. I think everyone was quite willing to give him a chance to see what he could do for agriculture. That is what we are doing and we wish him success. If he has success we know the farmers of Ontario will have success.

I was pleased to see the reorganization he did within the ministry. It was badly needed and it appears on the surface to be reorganized well. He has some good people there. If they get out to the farmers for the needed information and get to know the industry well, it is to be hoped they will be able to take the right steps to see that agriculture in Ontario continues to flourish.

I am sorry I was not here on Monday when these estimates were going on. I remained at home to attend a meeting of the Grey County Federation of Agriculture on the new proposal of the farm tax rebate. As the minister is quite aware, my area has been opposed to this change in the rebate system for many good reasons. I suppose the underlying factor here is that the statistics for Grey county show there are more than 1,000 farms of between 70 and 130 acres. We are quite convinced these farms will be paying more in tax even if they get the rebate. We will discuss this further under the proper vote.

I hope the minister will be careful about doing anything that will hurt the small, part-time or young farmer. Most young farmers start off as small farmers too. The big farmer, who has been promoted by the Minister of Agriculture and Food, agricultural colleges and banks, is now in trouble. When you bring out programs they should be for everyone, not just the ones you have helped get into trouble.

I think the Ontario farm adjustment assistance program should be for everyone. It was brought out that if you had a certain amount of equity you did not qualify. The milk producers, who were in good shape last year, are now in trouble. So it is a kind of delaying thing if you say, "You are not eligible this year, but if you get

into bad enough shape next year we will help you."

The local banks in our area are saying the majority of their milk producers' accounts are now in trouble. This is different from what it was a year ago. We are all well aware of the beef situation, but now even the milk producers are getting into trouble.

The Ontario beef farmer was assisted last year and that same assistance should be there for him this year. The cow-calf operator, the feeder operator and the finisher, the feedlot man, all got assistance last year. Actually it is needed just as much or more this year, and if we do not give them that assistance this year I am afraid we will scuttle the beef business in Ontario. Other provinces are giving assistance; they are protecting their beef industry. Sure we have too much product now, but did that stop Manitoba, Saskatchewan, Alberta and Quebec from helping their beef farmers to stay in business?

Food shortages are coming. I have heard that statement, I guess, for 25 years, and people are beginning to feel: "They have always been saying in Ontario that we are going to run out of food and we are going to have a food shortage. Yet we can go and fill our food basket every day without any problem; we always have surpluses."

So they do not believe it when you say we are going to have a food shortage. But I feel a food shortage is closer now than it ever has been. I think it is not very far away and this is why I feel we should be assisting the farmers at this time when they are in trouble—and all farmers, not just specific ones—so that our industry remains strong in Ontario. We cannot just help the weak ones and feel that the stronger ones do not need assistance, or, as I mentioned previously, those strong ones will then become weak. We need to give the same assistance to all farmers so our agriculture will remain strong.

I feel there may be one thing lacking in our new Minister of Agriculture and Food. I agree with him when he says we should keep good records. That has been brought out strongly during this time of financial problems.

11:40 a.m.

An hon. member: That is nothing new.

Mr. McKessock: I certainly agree with that. I was one of the first six farmers in Ontario who were asked to go on the computer Canfarm program. I refused to go on that program, because I like keeping my own books. I felt that by doing the books on a monthly basis I kept my

finger on the industry. I am not knocking Canfarm. I know for large operators there are great advantages to being on the computer system but I felt, when the information is sent out to be processed and the processed material comes back, there is a temptation to set it on the shelf or in a drawer or not to take the time to use it the way it should be used. But when I had to do my own books each month, I was forced to keep a finger on the pulse of the industry. I know the value of good records, and I certainly agree with the minister when he says we should be keeping good records. That is certainly a big part of staying in business.

I agreed with him when he reorganized the Ministry of Agriculture and Food. I agree he has a deep concern for agriculture and for farmers in this province, but I feel the new minister may lack that gut feeling about agriculture that comes from extensive time spent in the business. If he had that gut feeling he would know that agriculture in Ontario is in deep trouble. Even if he does not it should be evident to him the way bankruptcies are continuing, the way farm-land values and the price of farm produce are dropping at the present time.

I am going to list a few things I feel the minister should do to see that agriculture remains strong and is not let slip away. It is the gut feeling I have that makes me feel these things should be done. The minister should immediately give \$45 million or \$50 million, or whatever is needed, to the beef industry, as he gave it last year. If the government feels that Suncor deserves \$650 million and the beef industry does not deserve \$45 million, its priorities are way out of whack. The agricultural industry is still the backbone of our country and we are going to have this brought back to us very strongly in the future if we let our industry deteriorate.

Second, the minister should immediately offer the Ontario farm adjustment assistance program to all farmers who have borrowed money. If one needs assistance the other does as well. Assets in a farm operation mean very little. They are just the farmer's factory whereby he makes a living. Whether or not a farmer has 60 or 70 per cent of his assets paid, he is still losing money if he is in the beef industry. The difference is the farmer who owns more takes it out of his own hide and gradually gets thinner, while the farmer without equity takes it out of the hide of the government. That is hardly an incentive to stay in agriculture.

I want to bring out a little problem I see in OFAAP that was brought to my attention just

recently. It concerns those who did not apply for loan guarantees last year under the program and now find they need them. A neighbour of mine applied three weeks ago, and he has been turned down and has been told he must now apply under the 1983 application for loan guarantees. We all know the experience with the 1982 applications. It took a long time to get these processed. I do not care if the minister is shaking his head. I have had experience in this area with the people who have phoned me.

Hon. Mr. Timbrell: The member cannot generalize like that. There are individual cases, yes, but generally, it was about four weeks in total on an average—

Mr. McKessock: I want to point out why I am bringing this up. The individual has been told now he is to apply under the 1983 application, which will delay him in getting his guarantee. He needs the guarantee now. I cannot see why, when he applied for his guarantee three weeks ago, it could not have come under the 1982 program. We are still in 1982. He needs the money now to purchase the cattle.

Hon. Mr. Timbrell: Why did we turn down the guarantee?

Mr. McKessock: He did not apply for the guarantee in 1982, that is my point. Now he is told that to get a guarantee he has to make his application now for 1983, but it is delaying that process. By the time he gets his guarantee for the 1983 season it will be too late for him. He needs that guarantee now rather than two or three months from now.

As the minister is beckoning his assistant, I will give him the name of the individual and he can check it out. It is Alex Torrie of RR 5, Chatsworth.

Mr. Riddell: Tory?

Mr. McKessock: It is T-o-r-r-i-e.

Mr. Riddell: Oh, that is better.

Mr. McKessock: There is just a little adjustment there. Hopefully, the minister can allow him to have that money now rather than at a delayed time, because the timing on these things is very important, as anybody in business knows.

The third thing the minister should be bringing in is the low interest rate loans for mortgages for young farmers that were promised, at an interest rate of no more than eight per cent over a 30-year period. I say this to get some stabilization into the agricultural business for the young farmer.

I have a 29-year farm credit mortgage. I know

that is what is needed. One has to have a mortgage for that length of time at a low interest rate to be able to compete today. There is no way the young farmer will be able to compete unless he has that kind of a mortgage loan at that kind of an interest rate.

Hon. Mr. Timbrell: That is the member's—

Mr. McKessock: I still feel this is part of the basic foundation to establish a solid agricultural field in Ontario.

Hon. Mr. Timbrell: What if he cannot get the price for what he produces. What good is it?

Mr. McKessock: Definitely the price is part of it, but the mortgaging and financing are a big part of it too. I have had experience in this. It is what has helped me. Without it I would never have been able to start.

This should be done now while farm land values are at a level the young farmer can afford. There is no use waiting and bringing in this program when farm land values tend to rise again, and get beyond reach, or even get to a point where if he could buy it he could not afford to operate the industry.

I think there is a great opportunity for young farmers right now if they have the tools to work with. The tools I am talking about are the very basic tools—that is, low interest rate mortgage money to buy this land that is now available at a level they can afford, a level that will work for them.

The fourth thing the minister should do is bring in a capital grants program to go along with this. Again I look at my own situation and this is what has happened through my period of time which, I think, helped me tremendously. I liked the 12-year program that was in place, which ran out a couple of years ago or was readjusted. The only change needed in that program for today is to bring it up to a realistic figure.

11:50 a.m.

At that time, I believe we could get 40 per cent of capital, which adds up to \$3,000. That figure today should be \$20,000. I think the 40 per cent figure is all right; 40 per cent of capital costs up to \$20,000. That means the farmer would then have to put in 60 per cent of the dollars himself.

This would go along nicely with the young farmers' low interest rate mortgage program because if they buy a farm that is slightly run down—and some of them are running down fast these days. They would have that capital grant

program to go along with the mortgage to bring the farm up to a good production level.

Fifth, I will get into a couple of points on the longer-term outlook for agriculture. They are not immediate things such as I have just mentioned, but I still think they are very important for the continuation of agriculture in this country. We have to stop development on prime agricultural land in all parts of Ontario. It is just—

Hon. Mr. Timbrell: Stop all development? Nothing?

Mr. McKessock: I think we have to take steps now to get to that area. I know on the—

Hon. Mr. Timbrell: Be clear.

Mr. McKessock: Okay, what I mean is to stop all development, but what we have to do to get to that area—when I went home not more than six weeks ago there was an ordinary farm field. Right now there will be eight or 10 houses in that field. They were starting to put in the roads. I thought they were getting it ready to start next spring and that they were getting a little start on it before winter sets in. The roads were put in. The tiles were put in. The next time I went past, the foundations were being started. Those houses are springing up like corn in the early spring.

Hon. Mr. Timbrell: Where?

Mr. McKessock: At Caledon, right on Highway 10; I was surprised. By spring, those houses are all going to be up. My point is one cannot stop at a particular foundation. We cannot say, "Stop there and do not put up those other six houses where you have the roads and everything in." Anything that has been started is going to have to be finished. The way the system is right now, our policy for holding agricultural land is really to hold it until somebody else wants it.

Hon. Mr. Timbrell: What is the member saying?

Mr. McKessock: I am saying we should not be developing on prime agricultural farm land.

Hon. Mr. Timbrell: Any? Ever? Anywhere?

Mr. McKessock: Yes, any—after we put the boundaries where they should be.

Hon. Mr. Timbrell: I would like the member to be very clear. Is he saying that at some point, whether it is this year, in 18 months or whatever, that there should be an absolute, total, irrevocable freeze on all prime farm land. The member said prime farm land and perhaps he would be so good as to define what he means by that. Does he mean class 1, class 2, classes 1 to 4? What does he mean? Is he saying there should be an

absolute, irrevocable freeze on every last hectare of whatever he defines as prime farm land? I would like to know if that is his party's position.

Mr. Chairman: While we have this break I was going to suggest the minister will have an opportunity to reply to the member's opening remarks.

Mr. McKessock: I am finishing them now.

Mr. Chairman: Perhaps the minister could hold off, have a short reply and then we will get back to the vote.

Hon. Mr. Timbrell: Mr. Chairman, I will be guided by you. I had rather hoped that, although we are not in a standing committee which is much less formal, we could have at least some of the less formal exchange so we can be clear. I do not mind responding to interjections or questions and I did so several times through the course of my opening remarks. But you are in the chair.

Mr. McKessock: I thank the minister for those comments. Being a politician and not a lawyer, I have to be even more careful with what I say. I see what happens in—

Mr. Chairman: Some argue that it is one and the same.

Mr. McKessock: That is true. You have to be careful with what you say because sometimes what you say is taken out of context later. I often criticize the law and the judges in the courts for making certain technical rulings when they know very well the intent of the law.

I think you know my intent as to what I want, and these are my personal opinions. I am saying prime agricultural land is class 1, 2 and 3 land. Sure, on my farm if I have to have another barn I need space to build it. That is agricultural use and cannot be interfered with. But to take a good corn field and build houses or factories on it for industry, in a province where only nine or 10 per cent of the land is agricultural land, that means the other 90 per cent has to be for something else, so it is very obvious we have other places to build.

I know people say, "We do not want to live up north." We all want to huddle around Toronto, Hamilton or Niagara Falls. I think that is wrong. First of all, I feel that cities are big enough; and second, we should preserve that agricultural land because some day our offspring are going to say, "How stupid could those people be? They covered up all this good land with cement and now we do not have enough to eat." We cannot reclaim that land. We are not going to knock down buildings and put this land back

into agricultural production. Once it is gone it is gone for good. I think we are being very short-sighted in building on this fine farm land.

My last point is foreign ownership of farm land. We should not allow that. Anybody who wants to move here from another country and work the land that is fine. This has happened in the past and lots of these people have made good farmers; but to come here, buy farm land and then go back home, even if they are renting it out to somebody else—that is fine, but the land starts to deteriorate and it is out of our hands; when we let this land go to other interests we should be assured they are going to stay here and work it.

Thank you, Mr. Chairman, for allowing me to make those few comments.

Hon. Mr. Timbrell: Mr. Chairman, I would like to respond briefly to some of the points raised by the member for Grey, the associate critic or whatever—I do not know what title is used—of the official opposition.

I want to thank him for his kind remarks about my appointment. In the course of my tenure in the Ministry of Agriculture and Food I can only hope I will be successful. To the extent the minister is successful in addressing agricultural problems in all sectors of agriculture, that will reflect well on the progress of the industry and all the—

Mr. Riddell: I sometimes think we are entirely too kind. I would like to be more critical.

Hon. Mr. Timbrell: I do not think so. I can assure my friend I work overtime to find ways to avoid giving him opportunities to be too critical. That is my job and maybe why I am still a minister after nine years.

I am pleased to note he has commented favourably on the reorganization of the ministry. We tried very hard to reorder our priorities within the ministry to zero in on particular problems. Again I want to point out to my friend, if he was not here when I made the remarks a couple of weeks ago, that we have carried out the reorganization within the bounds of the existing budget and staff allocations.

12 noon

I know it is often the concern of taxpayers; when they hear about a minister reorganizing they figure, "That means more staff and more money being spent on salaries and wages and benefits." That is not the case here. We have stayed within the existing budget. In fact, from last fall through to the point of reorganizing, we pretty well had a hiring freeze in the Ministry of

Agriculture and Food. Only in essential cases were positions allowed to be filled, from last fall through to the spring, and even now there are many positions still frozen as we complete the reorganization of each of the branches after having done the superstructure.

We have tried to zero in on matters such as marketing, at home and abroad. We have zeroed in on soil erosion problems, and I hope the member for Kent-Elgin has seen a copy of the speech I made—I lose track of the days—I think it was Wednesday night at—

Mr. McGuigan: I heard you on the radio this morning.

Hon. Mr. Timbrell: I must get that tape.

Mr. Riddell: Did you send us a copy of your speech?

Hon. Mr. Timbrell: I believe so, but I will check to make sure.

There is also the study we asked the Ontario Institute of Pedology to carry out for us, on which my speech is based. There is the new rural organizations and services branch bringing together under one branch all the various services we provide to the rural community, and the list goes on. We can get into those, if we ever get to them, as we proceed through the votes and items.

I am aware of the concern of the member for Grey with respect to the changes in the farm tax rebate program. I want to point to him that this has been revived at the specific request of the Ontario Federation of Agriculture. In July of this year, the program proposal was shelved. The federation and the Association of Municipalities of Ontario were informed it had been shelved for a variety of reasons, one of which was a concern on the part of the officials of the Treasury about the additional costs inherent in the new program.

Following that, the federation made submissions to a number of us in the cabinet requesting that we reconsider. Various ministers, the Treasurer (Mr. F. S. Miller), myself and others, discussed it with the federation and decided among ourselves that we would accede to the request and revive the proposal. I announced it at the annual meeting of the Ontario Federation of Agriculture.

Members will recall that the program in 1984 will see an increase of more than \$20 million, more than a third of the existing program. If memory serves me correctly, in 1983 the payout under the existing program should be something

of the order of \$63 million. In 1984, it will be \$85 million.

Under the existing program, there is a 50 per cent rebate across the board on the land, the buildings and the residences of those who meet the present production criterion of \$5,000 in gross production. I emphasize "gross production," because these are not net income figures. In 1982 and 1983—and the existing program is retained for 1982 and 1983—that production figure moved to \$8,000 for the whole province, and again that is a figure for gross production, not net income.

I can dig back into my opening statement to give examples of the amount of acreage that one would have to have in production. For instance, if my memory serves me correctly, seven acres of tomatoes, under current prices, would meet the criterion.

Mr. McKessock: Do you realize that if a beef farmer sold 25 calves at \$300 each this year, it would be \$7,500?

Hon. Mr. Timbrell: We have to draw the line somewhere—unless the member is saying he just wants handouts. I hope that is not what he is saying, because that is not what I hear from the farm organizations or from the farmers. They realize these programs have got to be reasonable and financially sound and, quite frankly, an \$8,000 gross production figure is not unreasonable in this day and age.

Mr. McKessock: I am saying to be careful of what you do to the small farmers.

Hon. Mr. Timbrell: I want to point out that in addition, when the new program comes in, while the figure will grow to \$12,000 in southern Ontario, it will stay at \$8,000 in eastern and northern Ontario; basically that is the area east of the Durham-Northumberland/Durham-Peterborough/Victoria-Haliburton line and north of the Simcoe-Muskoka line.

The rebate for land on which the residences sit, as the member knows, always has been a criticism of the existing program: the program is designed to support agricultural production; why are we rebating taxes on houses under the farm tax rebate program? It has always been argued by a great many that they are not part of an agricultural resource.

This program will be targeted from 1984 onwards at the productive farm land with the revised production criteria. As far as the residences are concerned, there will be one acre, more or less, considered to be the residential site which will be assessed at 50 per cent of

prevailing rates. Even there, the farm community will get a break.

The residences will be assessed at the same rates as any other residence in that community, and that is fair. Aside from the farm tax rebate on the productive land, the farmers, like any other citizen in the province, will be able to apply on their annual income tax returns for the property tax credit on their residences.

This is something that the member might have lost sight of. I think I can predict with some certainty that at the meeting to which he referred, that point was not brought out. Is that right?

Mr. McKessock: Yes, that point was brought out. Of what benefit is that going to be to a farmer?

Hon. Mr. Timbrell: If memory serves me correctly, there is about \$250 million per year that is rebated through the property tax credit program. That is aside from the farm tax rebate program.

Mr. McKessock: Aside from the senior citizens' rebates?

Hon. Mr. Timbrell: I think that includes—

Mr. McKessock: Well, that is where the majority comes from.

Hon. Mr. Timbrell: I will dig that out to be sure. I am going from memory now, because the figures are from another ministry, but it is about \$250 million per year that is going out in property tax credits, aside from the farm tax rebate program.

Mr. McKessock: At 65, you will be all right.

Hon. Mr. Timbrell: If you are over 65 then there is a different tax credit, as the member knows. You also start to qualify for sales tax credits and that sort of thing. Some municipalities have even further tax abatement programs for seniors.

Obviously, then, the majority of farmers will end up paying lower net taxes.

I will tell my friend where we are going to hear complaints about this. It is going to be in those instances—the member for Huron-Middlesex (Mr. Riddell) was getting at it the other day and I think he was specifically zeroing in on doctors and lawyers, whoever they are, who move to the country, who build very large residences. We have all seen them, in all parts of the province. At present, if they meet the production criteria the 50 per cent tax rebate cuts right across and

they get back 50 per cent of the taxes on those large residences.

12:10 p.m.

One must legitimately ask, "Why on earth would you apply farm tax rebates, which are intended to support and encourage the use of productive land in this province, against what are in some cases palatial country residences?" This program will do away with that. They will pay their taxes separately, and if they have very large residences they will pay accordingly, like any other citizen.

Mr. McGuigan: There is no disagreement with that.

Hon. Mr. Timbrell: No; so the vast majority will end up paying lower net taxes.

Mr. McKessock: Well, we will see at the end of the year.

Hon. Mr. Timbrell: Okay. I am not going to stand here and say that there is not a single individual who will end up paying more. I just want to put the facts out as we know them now: there will be a one-third increase estimated in our expenditures for the new program as opposed to the old in 1983; large residences now will be taxed accordingly and people will pay their fair share according to the local assessment of residences; but the productive farm land will have the taxes rebated.

It was also the honourable member's county, if memory serves me correctly, that was concerned about the original proposal, which would have exempted productive farm land and removed it from the tax rolls so that the individual property owner would not pay taxes on it, and obviously the municipality would not collect them.

I am sure it was Grey county that was one of the first to object to that because of the concern on the part of individual land owners and the municipalities that this somehow would vest in the province an undue type and level of control over that land; that somehow, notwithstanding the fact that the title still would be vested in the individual farmer, this threw a cloud over it.

I think the concern was expressed the other day by the member for Huron-Middlesex that if hunters, snowmobilers, hikers or whoever were to venture on to the property, somehow the farmer would have a reduced right to demand that they leave his property.

Mr. McKessock: I think the biggest concern was how the municipalities were going to get their taxes.

Hon. Mr. Timbrell: I am coming to that. The municipalities in turn said, "Obviously if you exempt the productive farm land, you are going to significantly reduce our assessment base; and we do not know what is going to happen in the future from year to year with municipal grants from the province and how they will relate to this reduced assessment base, whether you will continue to pay us grants in lieu on those exempted lands that truly reflect their value if they were to continue to be assessed and taxed by us."

All in all, we accepted the arguments of both the farm community and the municipalities and went with a rebate program rather than an exemption program. So you will continue to pay your taxes each year. In 1983 the productive land, the residences, and the acreage, plus or minus, on which they sit, will be assessed by the assessment officials, and starting in 1984 you will pay your taxes on the two portions.

After you have paid your taxes and can send in proof of having paid them, you will be rebated on the land as long as you meet the production criteria; then you will carry on like any other private citizen with respect to the application for property tax credits under the income tax legislation.

Mr. McKessock: Mr. Chairman, could I follow up on that just for a minute before the minister leaves the farm tax rebate program?

My feeling is that the house now will not be an expense on your income tax when that is taken into consideration; you will not be able to put it down now as an expense; and you will not have your taxes as an expense when that is taken into consideration. I feel this is going to be a big area that probably has not been looked at either, which is going to nullify some of the advantages.

The other thing I want to mention is the appeal. The minister has mentioned an appeal process, but so far I cannot see the purpose of an appeal. If it is cut and dried that you must have \$8,000 or \$12,000 production, what would there be to appeal?

I would like to see the appeal board have some leeway, if we are going to stick with this program. These legitimate farmers may be part-time farmers, small farmers or young farmers who may be making the best possible use of their land and still just bringing in \$7,500. As I mentioned earlier, 25 cows at \$300 each would be \$7,500.

The beef farmer would have problems meeting that this year. Yet he should be not discriminated against because he is making the best

possible use of his land; or he is working off the farm while trying to get established, maybe as a young farmer. Or he may have to work off the farm, because who can live on \$7,500? I think he is contributing to agriculture in Ontario and he should get his rebate the same as everybody else. I hope that under the appeal process they will have enough leeway to look at situations such as these.

Let us take the example of an elderly farmer who has farmed all his life. Despite the fact that he has cut down to \$15,000 or \$20,000, he is still contributing to agriculture. He has been here all his life. Why should he have to pay the full share of taxes? Or, as I have already mentioned, there is the young farmer who is building up the farm production.

I hope the appeal board will have some leeway in that area. If these farmers are contributing legitimately to agriculture, they should be allowed to get their rebates.

Hon. Mr. Timbrell: Mr. Chairman, with respect, I think one could make the same arguments no matter where the criteria are set. Unless we are going to have no production criteria, no qualification criteria at all, then that argument is always possible.

Mr. McKessock: Leave it at \$6,000.

Hon. Mr. Timbrell: Well, \$6,000 would represent an increase over what it is now. Again, with respect, I have to say that \$8,000 and \$12,000 are not unreasonable when one is talking about gross production. One can make the argument that at \$5,000 there are bound to be many who fall below it, who fall into those categories. One has to say, "All right, is it a reasonable figure in this day and age when we are talking about gross production value?" I do not think they are unreasonable.

The intention of setting up the board is that there are bound to be some cases where considering certain production part of the farm's gross production, part of the \$8,000 or \$12,000, will be disputed. The board will be empowered to arbitrate decisions on those—

Mr. McKessock: Like inventories.

Hon. Mr. Timbrell: I suppose these are those kinds of things. I have not really turned my mind to the kinds of categories. There will be disputes about whether something is part of their gross production. They would arbitrate them but within the parameters of the program.

Mr. McKessock: Let us say you were increasing your herd so that you did not sell it but

actually your inventory increased; I assume that could go down as gross production.

Hon. Mr. Timbrell: I am not sure. Those are the kinds of examples on which between now and when we introduce the legislation next year we are going to have to think up all the possible permutations. With 80,000 farmers and every single one being different, it is impossible to conceive of every possible situation. For that very reason, we have said we have an appeal board. I think that is only fair.

Mr. McGuigan: Perhaps you can overcome that if you use the accrual method of accounting.

12:20 p.m.

Hon. Mr. Timbrell: The member went on to indicate that we should be repeating the 1981 beef assistance program, which we discussed here a week or two ago in the course of question period. As the member knows, we have had special assistance programs twice, in 1975 and 1981.

The intention of commissioning the task force report more than a year ago was to get away from ad hoc, across-the-board programs, because it was rightly felt that when you use that kind of approach you do not always help the ones who need the help most.

Mr. McKessock: They all need the help.

Hon. Mr. Timbrell: With respect, there are some people, and my friend knows some as well as I do, who are turning a profit in the beef industry this year. You cannot generalize and say there is not a single soul making money, because that would not be true. Again, it is because every single producer is different in terms of the mix of debt, equity and cost; they are all different.

Interjection.

Hon. Mr. Timbrell: Excuse me. If my friend thinks back more than a year ago to that task force report, it recommended that a program be set up, as we have done, called the Ontario farm adjustment assistance program, which would be targeted and based on individual evaluations of each case; and that is what has been done.

It was the stated intention at the time that we would get away from ad hoc programs. It was also stated at the time—I think I am correct in this—that the government should take steps to see that an improved stabilization plan was brought into being.

I cannot emphasize too strongly what I have said to the member both privately and publicly. We need, and the farmers of Ontario need, the

help of the 33 members who sit opposite and who are members of the same party as the government of Canada to impress on them the importance and the necessity of the government of Canada meeting with the provincial governments and the national producer organizations to follow up on the strong consensus that the provincial governments and the producer organizations arrived at in Regina just five weeks ago.

Mr. McKessock: How come all the other provinces agreed to this too, and yet they set up their own programs?

Hon. Mr. Timbrell: Hold on. I will come to that. My friend should not try to avoid what I am telling him.

Mr. McKessock: I am not trying to avoid it.

Hon. Mr. Timbrell: Maybe he would like to tell us later what he has done about that and how many times and whom he has spoken to in Ottawa to urge this on them, because we need his help. For whatever reason, notwithstanding that at Halifax in July the consensus was there, notwithstanding the fact that in Regina five weeks ago the consensus—and it involved not only the provincial governments. I can see that maybe—

Mr. Swart: Mr. Chairman, on a point of order: I have never been in a committee before where the minister has taken the length of time that he has in the estimates that are before this committee. He may feel an obligation to go on at great length, but I point out that if you compute the time used thus far, which is about 12 hours, the minister has taken half of that 12 hours. He gave a two-hour introductory speech and almost a three-hour reply to the introductory speeches by the member and me, and now he has taken longer in his reply than the member for Grey took in his speech.

The minister may feel an obligation to reply in full to all his critics, but we are running out of time. There are some things that some of the rest of us want to say, and I think there should be some fair allocation of time. I am not suggesting that I have not had my share vis-à-vis that of the Liberal Party, but I am saying that from what I have ever seen in any other estimates, the minister has set a precedent with regard to the consumption of time.

The Deputy Chairman: In response to the honourable member's point of order, I can only suggest that the time is the time of all of us. We are on vote 1901, and as the questions are asked, the minister answers them. Maybe he can take

note of what you have had to say. I certainly cannot take that as a point of order. It is up to the honourable members as to how they carry on.

Mr. Riddell: Mr. Chairman, on the point of order: I can understand the concerns of the member for Welland-Thorold, and perhaps we on this side are partly responsible. I believe it is a departure from the normal—I was not a part of this; I did not understand this was going to happen—to have two opening statements from one party.

I believe we have to take a look at this. The fact that a party has a lot of members and some of these members can share one portfolio does not mean that, whichever members are given the responsibility of that portfolio on the opposition side, both should be expected to make opening statements, unless there is an agreement between them that the critic will limit his time on an opening statement and let the deputy critic carry on.

I understand the problem the member for Welland-Thorold has raised. I did not realize the minister would be giving such a lengthy response to the second opening statement of this party. I hope he can wrap it up very soon so that we can get on with some other points we want to raise. I hope, when we do raise these other points, that we do not go on at great lengths but are very brief, get our point across, and let the minister be very brief in getting his response back to us. The chances are we will be able to cover many of the subjects we want to cover.

The Deputy Chairman: In the spirit of the chair, I can assure you I am not ruling on this. It is purely a matter of the minister and yourselves working this out.

Mr. Grande: The minister should restrict himself.

The Deputy Chairman: I will not restrict time limits in the committee.

Mr. Grande: With due respect, I did not suggest you should restrict the minister. I said the minister should restrict himself.

The Deputy Chairman: Fine; but I am a bit sensitive to the chair imposing restrictions on the Minister of Agriculture and Food.

Hon. Mr. Timbrell: Mr. Chairman, I am trying to be as brief as possible. In fact, in my earlier responses I left out a lot of material—

Interjection.

Mr. Riddell: Minister, maybe you should revert to your role as Minister of Health and do something to save the Deputy Chairman when he coughs like that.

Hon. Mr. Timbrell: I see a veterinarian among the officials of my ministry here.

Mr. Swart: The minister should be able to distinguish between a cough from a human and an ailment restricted to an agricultural animal.

Hon. Mr. Timbrell: I can assure the member that ailments at the other end of the anatomy are more easily distinguished.

Mr. Chairman, I am trying to be brief and the honourable members are eating up the clock with all these interjections and points of order.

The member made a comment to the effect that food shortages are coming. With respect, that really is like the proverbial story of Henny Penny. Look at the record of production in this province. Look at the amount of land that is under cultivation in 1981-82 as compared to a decade ago: an increase of more than a million acres. Look at the productivity of the average Ontario farmer over the last 20, 25 or 30 years. It is all on the upgrade. Look at the amount of land that is under tile drainage now as compared to a decade ago.

With respect to the member—I am sure it was not geared towards a headline or anything like that—I say it is not true. Obviously the members on that side of the House and we on this side are here to make sure it does not come true. Everything we do is geared to maximizing our self-sufficiency in this province and in this country, to maximizing our role now and in the future with respect to feeding the world. I will not give all the statistics I gave the Christian Farmers Federation the other evening or the Canadian Club of Burlington a couple of months ago on the global problems of agriculture and the ability to feed the world. They are enormous and getting worse.

I was not aware that the member for Grey was one of the first six asked to go on Canfarm, but I am surprised to hear he refused. My understanding, having met with representatives of the Canfarm organization, and particularly Mr. Hannam from Wellington county, the past president of the Ontario Federation of Agriculture, was that the program involves much more than just submitting some figures once a month to a data centre and retrieving from the centre once a month a printout, which the member is concerned would just gather dust on a shelf.

12:30 p.m.

It is a total management concept, keying in to their banking practices, their purchasing practices, the maintenance of records about purchases and expenditures, sales and the like. I would hope that over this winter and for the foreseeable future, we will be placing more and more emphasis, not just on Canfarm but on the total range of management practices which are now available.

I mentioned last week that we have now introduced the small computers, the type that many now have for their farms and businesses, into all of our colleges to expose this generation and future generations of young farmers to the use of this tool to maximize their efficiency and ability to plan and to react to changes in their input costs and returns to avoid getting themselves into difficulty.

The member mentioned six specific points. I think I have dealt with a number of them. I certainly have dealt with the young farmer loans earlier in the estimates, but we will probably come back to that.

On the capital grants program, I will repeat what I said a few months ago. We are looking at that program with a view, not to broaden it, not extending it, but to narrowing it to focus in on some key issues, particularly on soil conservation matters. It will be through that program that we will try to redirect some money in order to deal with those problems.

I come back to what I said to the member earlier. This is a very serious matter. It is something which is of concern to all parties and about which we should be absolutely clear. I take it the member is saying that with respect to the question of the preservation of prime farm land—and he did not answer my question as to what the definition of prime farm land was, whether he was going by soil categorization, class 1 to 4, 1 to 2, or whatever. Would he accept 1 to 4? Is that his definition?

Mr. McKessock: I said 1, 2 and 3.

Hon. Mr. Timbrell: I take it that what he is saying on behalf of his party—

Mr. McKessock: No, I said it was a personal view.

Hon. Mr. Timbrell: Maybe later we will find out what the party's view is. The view that there should be an absolute freeze on any form of development of any kind, anywhere, at any time in the future in Ontario, I think is unrealistic.

I gave examples last week of refusing. For example, at least four or five of the members of his party wrote to me to ask me to reconsider

this one where our staff fought proposals to establish a 10-acre cemetery in the region of Halton on prime farm land. We fought it saying there was class 5 or 6 land in that region which could be used and could be suitably landscaped and maintained as a cemetery. Our arguments carried the day, but I put the question to the members opposite, if there was no alternative in that area, is he still saying he would have turned that down? I could not.

Mr. McKessock: I cannot understand why you would fight for 10 acres for a cemetery but let thousands of acres around the cities be built up.

Hon. Mr. Timbrell: I am just telling the member that the kind of approach he is advocating is unrealistic and unworkable. Even when I look at the private member's bill introduced in 1980 by the member for Welland-Thorold, which provided that every planning authority—and where one did not exist, required the Minister of Housing to establish a planning authority—in the province would inventory and map out all the class 1 to 4 land. Until such a plan was developed, no development would be allowed on any of that land except on the recommendation of the local planning authority.

It provided that once the mapping was carried out it would recommend to the local council which lands were to be designated as agricultural land, class 1 to 4, and it provided that the council was obligated to pass a bylaw to give effect to the recommendations of the planning authority. Then the effect of the bill was that no development would be allowed on those lands from that point on except by recommendation of the planning authority.

I want to point to both members that there are occasions when proposals come before us which we end up opposing at the Ontario Municipal Board, or at the local council level, which have been recommended by the local planning authority. So it is not quite as simple as the member was trying to make out the other day when he said the answer was in his bill. The answer in his bill is really not much different from the process we follow now, which is in effect a responsibility shared, as I indicated to the Christian Farmers Association the other evening, by the municipalities and the province for land use planning.

Mr. Chairman, I will come to some of the other items later in the votes and items, but the member asked me about one particular case with respect to the Ontario farm adjustment assistance program, and the staff went out and checked for me. Speaking generally, the crite-

rion would be that a person can apply now and be accepted for the 1982 farm assistance program if he is a new applicant. The person in question is now on OFAAP with an interest rate reduction grant. He applied in June 1982 and was granted a retroactive interest rate reduction grant from January 4, 1982. So he is already on that.

Now we have said he can apply for 1983 in accordance with the program for 1983. He cannot apply in that we allow only one application per applicant on each option. He could have come back and said, if he was under option B, that he wanted to apply for something under A or C.

Mr. McKessock: That's what he has done.

Hon. Mr. Timbrell: With respect, I understand he has applied once and has had his one application for 1982.

Mr. McKessock: He is allowed to apply twice now.

Hon. Mr. Timbrell: What the member is saying is that he wants to apply twice for 1982. The rules are that you can apply once for 1982. They are not unlike the rules for the Farm Credit Corp. or any program like that.

Mr. McKessock: You can see my point, though. He needs the money now, not next spring.

Hon. Mr. Timbrell: I'm sorry. I should make that clear; I do not want to mislead the member. You can apply for two options under one application, but it is in fact one application per year per farmer. As I say, it is not unlike the rules for the Farm Credit Corp. or any similar organization.

With those brief remarks, Mr. Chairman, let me just say to the member for Welland-Thorold that I have never done estimates in the House before, except for supplementary estimates for a couple of hours. But certainly what I am used to over the years, having done them in committee all the time, is a fairly freewheeling exchange. In fact, the member for Renfrew North (Mr. Conway) will recall years in Health estimates where we really did not even follow vote and item; we waited to the end. We had a very freewheeling exchange, jumping from one end to the other, and towards the end of what in some years seemed to be an interminable 20 or 25 hours, whatever it tended to be, then we went through the votes and items and concluded our consideration.

Mr. Conway: It was the day you started to

smoke that we knew we had you, but you are right.

Hon. Mr. Timbrell: Unfortunately, I started when I was about 18.

Mr. Conway: I have seen you smoke around here only once, and I will never forget it. But you are quite right in your response to the member for Welland-Thorold.

Hon. Mr. Timbrell: Yes. I certainly have always tried to give very thorough responses, though, and of course I always will. I would not want to leave the members with an incomplete response.

Mr. Swart: Mr. Chairman, I guess we have about 23 minutes left, at least today, on these estimates. I want to give half the time to the critic for the Liberal Party.

There are a number of items I would like to cover in some more detail, but I think I will confine my remarks immediately to one subject and that is the matter of farm land preservation. I want to say that I do this because of the minister's evasiveness and, I suggest, his deliberately ignoring the procedures for preserving farm land and the provincial government's responsibility in it.

I have heard him try to imply now two, three or four times that the member for Grey wants to freeze every acre of farm land. He imputed those motives and that policy to me the other day, and today he is saying that my bill is not much different from what they are doing.

I want to say first of all to the minister, because he ignores this fact, that the preservation of our best farm land is exceedingly important to society generally and to the farmers in particular at this time.

12:40 p.m.

Hon. Mr. Timbrell: Nobody is challenging that.

Mr. Swart: I am saying that for society generally, and farmers in particular at this time, his answers are not good enough.

I was at the dinner of the Christian Farmers Association the other night when the minister spoke. He will remember he had eight questions afterwards and five of them referred to the preservation of our prime agricultural land. I wrote down some of his comments. "The province and the municipalities are in partnership on planning," "We can't freeze the land," "We can't legislate," "We can't dictate," and so on.

In all the speeches he has made, whether it was the one that night, his lead-in comments here, the one at the exhibition or one to the

Ontario Federation of Agriculture, not once did the minister say that agricultural land shall have priority in land use. Either he is ignorant about how we arrive at priorities in land use, and I do not think he is, or he really wants to evade and confuse on this matter.

For instance, the minister must know land use in this province is really decided by the Ontario Municipal Board. There is always a dispute when one brings in an official plan. There is the opportunity to refer the whole plan or parts of it to the OMB. The same is true of zoning bylaws. Land use is ultimately decided by that independent body. He must know that independent body makes its decisions largely on provincial government policies.

There should be a provincial government policy, whether it is the Foodland Guidelines, amended as the minister has been asked to do by the Ontario Federation of Agriculture, or whether it is some other statement of policy by the Ontario government, that in all land use documents, official plans and zoning bylaws in the determination of land use, whether the minister classes that as 1, 2, 3 or 4, prime and unique agricultural land shall have priority over all other land uses.

If he adds the words "except in exceptional cases" or whatever, but if he none the less clearly establishes the general principle in his government that the preservation of prime agricultural land shall have priority, he will have taken the step necessary to do it.

The minister should not try to evade that. That is a fact and that is what his government refuses to do. He must know that at the present time the policy statement on aggregate extraction is such that it takes priority over agriculture.

Hon. Mr. Timbrell: It does not.

Mr. Swart: Of course it does; it certainly does.

Hon. Mr. Timbrell: It does not.

Mr. Swart: There is nothing anywhere in the policies that says the preservation of prime agricultural land shall take priority over urban development. He has not stated in any of his speeches that urban development in principle should be moved away from prime agricultural land and should take place off prime agricultural land.

I want to see him and his government take a stand. It is not good enough to say, "This is up to the municipality to decide." He knows how it can be accomplished. He knows what the New Democratic Party government did in British Columbia by establishing the land commission.

They did not freeze the land. There were very few exceptions given while the NDP government was in power. He must know that. That is the most effective land preservation we have in Canada. It is not now because, when the Conservative government got back in power, whether it is called Social Credit or whatever, it changed the members of the commission to those who were primarily interested in development and they let it go through.

It is simple and I want to hear you across this province; if you mean what you say about preserving prime land, make those statements, put it in documents that the use of our prime agricultural land for agriculture, indefinitely, shall take priority in principle over all other land uses.

When the intent goes before the Ontario Municipal Board, just like the document that went before the OMB in the Durham hearing—the official plan of the Durham region—as soon as that document was sent on aggregate they had to include it in their official plan, because the OMB said: “That is government policy, you must include it in your official plan. Show the aggregate and have it there reserved for extraction.”

If you prepare that kind of document, as you have been asked to do by the Ontario Federation of Agriculture, as this party has been pushing for, for years and years and years—and incidentally members of this party have been actively involved, as I am sure you are aware, and in fact have taken the lead in the whole matter of land preservation. I do not want to see you get up on your feet and tell us again that either you freeze it all or you cannot save it. You have to take responsibility.

Hon. Mr. Timbrell: Mr. Chairman, the honourable member seems to have a penchant for trying to distort or wanting to distort, deliberately it seems at times, the statements by other members of this House, which led to a rather classic exchange earlier in the week. That is not what I said.

Mr. Swart: Mr. Chairman, I do not even know what he said now. He said that is not what he said, but he did not say what he did say, and that is one of the real problems because he has never made those kinds of statements that the preservation of agricultural land should have priority. That is just what I am saying.

If the minister would get up now and say he will produce a document that says the prime land in this province will have priority indefinitely for use of agriculture in our official plans,

I tell you that would accomplish it, even that statement by him, leave alone putting it in the document. But you refrain from doing that and, therefore, what we have in this province at the present time are policy statements, one on aggregate extraction, which is a strong statement for land use, “must be included”—it does not say “should”—in the official plans of the municipality, but no such similar strong statement with regard to agriculture.

In this party, in the proposed new Aggregates Act, the Pits and Quarries Control Act, we endeavoured to get a clause in there to establish the principle that agricultural land should have priority for agricultural purposes, not extraction. The Conservative majority on that committee voted against it.

In the new Planning Act, we tried to get a statement in there which would strengthen the preservation of agricultural land, give it greater priority. The Conservative majority on that committee voted against it. For the minister to say that he cannot do anything about this and that the best way to save agricultural land is to make the farmer viable—nobody has any disagreement that the farmer has to be viable—to propose that as the only way of preserving our prime agricultural land, shows a lack of sincerity in his attempt to save it.

I am not sure whether the agricultural critic for the Liberals is here. I said I would try to give equal time so I am going to sit at this time.

12:50 p.m.

The Deputy Chairman: Are we ready for the vote on 1901? I do not want to rush it.

Mr. Riddell: Has the member for Welland-Thorold completed his remarks?

The Deputy Chairman: I am getting the feeling that he has, and I just did not want to rush it, because you were not in your chair where you could think the way you want to.

Mr. Riddell: I think it is rather important that we get on to the other votes. I have other things I could say, but I will not at this time.

Vote 1901 agreed to.

On vote 1902, agricultural marketing and industry development program:

Mr. Riddell: Mr. Chairman, I am sorry that the member for Kent-Elgin (Mr. McGuigan) had to go, because he wants to raise a number of matters under marketing.

I trust we are going to deal with the entire vote and not item by item. One of the things I have always been concerned about is the non-

resident foreign ownership of land, and I am very pleased to hear that the Minister of Revenue (Mr. Ashe) has now introduced a bill to plug the loophole whereby foreign investors are able to evade the 20 per cent land transfer tax by virtue of the method they use to purchase the land.

It was just so obvious when you had a chance to look at the offer to purchase and the clause in this offer to purchase stressing on the farmer that before the deal could be consummated the farmer had to incorporate a numbered company; he would proceed to sell the farm to that corporation, and then he would proceed to transfer the shares to the foreign investor, thereby being able to escape the land transfer tax.

If the minister has been following the daily papers recently, he will know that there have been a few good articles in there about the sale of land to nonresident foreigners and what it is actually doing to communities in Ontario. I refer to an article that appeared on Thursday, December 9, in the *Globe and Mail*, "Land Sales to Foreigners Raise Ontario Farm Fears."

This article states in part: "Sales of farms to absentee foreign owners are making some Ontario farm leaders afraid for their communities. John Nesbit, a director of the Ontario Federation of Agriculture, said in an interview that more Ontario land is likely to go into foreign hands this winter as more farmers run into financial trouble because of low commodity prices and high interest rates.

"A neighbour of his is an immigrant from Austria who has bought more than 4,000 acres of farm land with several European partners in two western Ontario townships in the past two years. But Helmut Sieber"—and I will say that Helmut Sieber has kind of taken over from a chap by the name of Tiko, who was acting on behalf of a large number of these foreign owners—"president of Algonquin Farms Ltd., which has purchased the land, insists that he is a farmer and the land will stay in farming."

What a strange statement to make: that because somebody happens to invest in land, whether it be a foreign owner or whoever it is, the land is going to stay in farming. Sure, we know it is going to stay in farming, but that is not the whole point of the matter.

"Mr. Nesbit said, 'Nobody else around here can get the money to buy a farm, so when a guy gets into a bind, maybe he is their only salvation.'" In other words, he—meaning Mr. Sieber—is the one who is going to buy this land from the

farmers who are in trouble to transfer to a foreign investor who has never even seen the land. All he is interested in is speculating in that land.

Isn't it a sad commentary to hear that because our farmers cannot make it, because they do not feel that the programs are in place for them to capitalize on in order to stay on the farm, as they are in other provinces—and I again draw to your attention the recently announced program in Saskatchewan, a \$350,000 loan to each individual farmer who qualifies at an interest rate of eight per cent; and I know that Saskatchewan is just as interested as you are in getting a tripartite stabilization program. But the minister and I know that program will not trigger in for at least a year if he gets the blessings of the federal minister. For all we know, it could be two, three or four years down the road.

Hon. Mr. Timbrell: Are you helping us with that? Have you spoken to him about that?

Mr. Riddell: I certainly have. I am behind you on that score. Do not ever think I am not.

I think it is a sad commentary when here we have somebody admitting our farmers are in trouble and the only way they can get out is to sell to somebody like Mr. Sieber, who is buying their land and giving them a price so he can then turn it over to a nonresident foreign owner.

"Research by the Ontario Liberal Party has shown pockets of foreign ownership in the Ottawa area, northern Ontario and near Windsor." Most of our work I must say has been in the Huron, Bruce and Grey county areas.

"In the short term it isn't that much of a problem, but if large acreages keep going to foreign absentee owners, then what happens to the viability of the community once the original farmers move out?" Merle Gunby, an executive member of the agriculture federation for Huron county, said in an interview. "What happens to the schools and the churches and the stores in these small places?"

"Farmers in Morris township in Huron county and in Bruce township in Bruce county, where about five per cent of the land is now foreign-owned"—that is a little different from the minister's one per cent.

Here I have to come back to his statement where he said he cannot rely on percentages. When I got up and said that the percentage of the total provincial budget in this province devoted to agriculture amounts to something like only one per cent, he said, "It is unfair to use percentages; you cannot do it."

I say it is unfair to use percentages in connec-

tion with the foreign ownership of land because a lot of this buying is concentrated in a few areas in Ontario. Here we have in three counties an estimate of about five per cent of the land which is now foreign-owned.

I have a map of Morris township and I have outlined in black all the farms that have been sold to nonresident foreign owners. It would appear from that map that almost 40 per cent of the farm land in Morris township has been sold to foreign investors. I will run off a copy of that map and send it over to the minister to let him have a look at it.

The farmers in those areas where five per cent of the land is now foreign-owned, according to the article, do not know who their neighbours are, since Mr. Seiber's group bought the farms in several complicated deals involving numbered companies which have since been amalgamated.

"Prospective young farmers say it is difficult to buy land because the Germans and Austrians consistently pay \$100 to \$500 more an acre than Canadians can afford."

At one time they paid more than that. I can well recall one Sunday a car drove up to my farm. It was a realtor from London. He had a chap from Belgium in the back seat who could not make himself understood all that well. I was able to understand enough to know he was out looking for land. He wanted to buy my farm. Then he asked if I knew of other farms in the area he might possibly buy.

I asked him what price he was prepared to pay. I wanted to get all the information I could. Believe me, it was as much as \$500 to \$1,000 more than local farmers were prepared to pay for the land in the area.

I told him my farm was not for sale and, if it was, it would be sold to the two young lads down the road who are helping me on my farm, graduates of agricultural colleges who dearly want to get into farming but have not been able to match the price the nonresident foreign owners are paying for the land.

I told him if my farm was for sale it would go to those lads and if I did know of acreages for sale in the area I certainly would not tell him. I told him I was totally against nonresident foreign ownership of land in this country.

I think I also indicated to the minister that I asked the Germans why they were so interested in our land when I was over with a select committee a few years ago. They told me plainly and clearly, "We want to get our money out of a

country that has a fair bit of instability and get our money into a country where we know there is stability and security."

Thank heaven we live in that kind of a country. But they are not really interested in farming the land. They are interested in getting their money invested in something they know will be relatively secure.

On motion by Hon. Mr. Wells, the committee of supply reported progress.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, I would like to announce the business for the first three days of next week.

On Monday, December 13, in the afternoon and evening this House will, in committee of the whole House, discuss Bill 179 with a final division at 10:15 p.m. on a 10-minute bell.

On Tuesday, December 14, in the afternoon we will consider the no-confidence motion of the New Democratic Party with a division at 5:50 p.m. on a five-minute bell. In the evening, we will debate on the report stage of Bill 179, which is to conclude at 10:15 p.m. on a 10-minute bell, if a division is necessary.

On Wednesday, December 15, in the afternoon we will deal with third reading of Bill 179 with a division, if necessary, at 5:45 p.m. on a 10-minute bell.

Mr. McClellan: If necessary?

Hon. Mr. Wells: I always like to allow for all exigencies.

Mr. McClellan: We can assure you there will be a division.

Hon. Mr. Wells: Therefore I will remove "if necessary" and say it will conclude with a division at 5:45 p.m. on Wednesday, December 15, on a 10-minute bell. The House will not sit Wednesday evening. However, on Wednesday morning the usual three committees may sit—justice, general government and resources development.

On Monday, I will have a further business statement dealing with Thursday, at which time we will consider legislation. I will announce the exact legislation on Monday. That means on Thursday we will be dealing with legislation and private members' business.

On Friday, of course, we will continue the estimates of the Ministry of Agriculture and Food.

The House adjourned at 1:03 p.m.

APPENDIX

ANSWERS TO QUESTIONS ON NOTICE PAPER

MINISTRY ADVERTISING

513. Ms. Copps: Would the Minister of Health provide the costs incurred in changing the ministry's advertisements to show the name of the new minister following his appointment to this ministry on February 13, 1982? [Tabled October 12, 1982]

Hon. Mr. Grossman: There is no direct cost. Existing stocks of health protection material issued on authority of Frank Miller and Dennis Timbrell when they were Ministers of Health continue to be used as long as the content is relevant.

New material or material reprinted to replenish stocks after February 14, 1982, will be issued on the authority of Larry Grossman as Minister of Health.

514. Mr. Riddell: Would the Minister of Agriculture and Food provide the costs incurred in changing the ministry's advertisements to show the name of the new minister following his appointment to this ministry on February 13, 1982? [Tabled October 12, 1982]

Hon. Mr. Timbrell: Nil.

515. Mr. Mancini: Would the Minister of Consumer and Commercial Relations provide the costs incurred in changing the ministry's advertisements to show the name of the new minister following his appointment to this ministry on February 13, 1982? [Tabled October 12, 1982]

Hon. Mr. Elgie: The Ministry of Consumer and Commercial Relations does not show the minister's name on any of its advertising materials. Therefore, no costs of this nature were incurred following the minister's appointment to this ministry on February 13, 1982]

516. Mr. McEwen: Would the Provincial Secretary for Resources Development provide the costs incurred in changing the ministry's advertisements to show the name of the new minister following his appointment to this ministry on February 13, 1982? [Tabled October 12, 1982]

Hon. Mr. Henderson: The answer to this is \$0.

517. Mr. Breithaupt: Would the Provincial Secretary for Justice provide the costs incurred in changing the ministry's advertisements to show the name of the new minister following his appointment to this ministry on February 13, 1982? [Tabled October 12, 1982]

Hon. Mr. Sterling: There were no costs incurred when the Honourable Norman W. Sterling was appointed Provincial Secretary for Justice.

519. Mr. Sweeney: Would the Minister of Industry and Trade provide the costs incurred in changing the ministry's advertisements to reflect the new minister and ministry following the realignment of ministries announced on February 13, 1982? [Tabled October 12, 1982]

Hon. Mr. Walker: Expenditure incurred in changing the ministry's advertisements to reflect the new minister and the ministry's realignment was \$482.

520. Mr. Eakins: Would the Minister of Tourism and Recreation provide the costs incurred in changing the ministry's advertisements to reflect the new minister and ministry following the realignment of ministries announced on February 13, 1982? [Tabled October 12, 1982]

Hon. Mr. Baetz: Two thousand, one hundred dollars.

521. Mr. O'Neil: Would the Minister of Citizenship and Culture provide the costs incurred in changing the ministry's advertisements to reflect the new minister and ministry following the realignment of ministries announced on February 13, 1982? [Tabled October 12, 1982]

Hon. Mr. McCaffrey: Nil.

522. Mr. Wrye: Would the Minister of Labour provide the costs incurred in changing the ministry's advertisements to show the name of the new minister following his appointment to this ministry on February 13, 1982? [Tabled October 12, 1982]

Hon. Mr. Ramsay: No costs incurred.

UNCOLLECTED FINES

616. Mr. Renwick: Will the minister please advise for each judicial district the total amount of outstanding fines which remain uncollected as of September 30, 1982, or the latest date for which the information is available under each of the following headings: (a) municipal infractions; (b) Criminal Code offences; (c) Highway Traffic Act offences, and (e) other provincial statute offences, together with, in each heading, as a separate item the court costs also remaining uncollected? [Tabled October 25, 1982]

See sessional paper 298.

FOREST MANAGEMENT AGREEMENTS

644. Mr. J. A. Reed: Would the Minister of

Natural Resources provide a list showing the following information concerning forest management agreements: (1) the forest management agreements signed to date; (2) the date each was signed; (3) the area covered by each; (4) whether a management plan has been

submitted; (5) whether an operating plan has been submitted; (6) total area under licence in the province, and (7) total area under licence in the province to the major pulp and paper companies? [Tabled October 26, 1982]

Hon. Mr. Pope:

FMA, company, date of execution	Area of agreement (km ²)	Management plan submitted	Operating plan submitted
Iroquois Falls Forest #500200 Abitibi Price Inc. April 28, 1980	9,454.839	Yes	Yes
English River Forest #500300 Great Lakes Forest Products Ltd. June 20, 1980	6,267.095	Yes	Yes
Upper Spanish Forest #500400 E. B. Eddy Forest Products Ltd. August 11, 1980	7,146.6	Yes	Yes
Lower Spanish Forest #500500 E. B. Eddy Forest Products Ltd. August 11, 1980	6,611.1	Yes	Yes
Gordon Cosens Forest #500600 Spruce Falls Power and Paper Co. Ltd. September 19, 1980	16,104.156	Yes	Yes
Spruce River Forest #500700 Abitibi Price Inc. December 15, 1981	7,523.496	No	No
Black River Forest #500800 QNS Paper Co. Ltd. March 31, 1982	2,552.187	No	No
Nipigon Forest #500900 Domtar Inc. March 31, 1982	6,129.260	No	No
Total	61,788.728		

Total area under licence in the province = 242,872.784 km².

Total area under licence to major pulp and paper companies = 205,607.375 km².

646. Mr. J. A. Reed: Would the Minister of Natural Resources provide a list from 1971 to the present showing: (1) the number of company management plans approved by forest resources group of his ministry; (2) the number submitted for approval; (3) the number being revised; (4) the number requiring new inventory, and (5) the number whose initial plan is in force? [Tabled October 26, 1982]

Hon. Mr. Pope: From 1971 to present—(1)

four; (2) three; (3) nil; (4) nil; (5) five.

FOREST LAND USE

645. Mr. J. A. Reed: Would the Minister of Natural Resources provide a list showing the total area of forest land for each year which has been cut over and the area which has not received any regeneration treatment to date? [Tabled October 26, 1982]

Hon. Mr. Pope: Figures for the years 1973-74

to 1979-80 were provided in answer to question 354 asked by Mr. Foulds on October 21, 1980.

The figures for the subsequent years are detailed below.

Summary of regeneration in crown and patent land in Ontario

1	2	3	4	5	6	7
Fiscal year	Total cut-over area	Area not available for regeneration	Area regenerated naturally	Area requiring regeneration treatment	Area regenerated artificially	Area requiring treatment but not treated
1980-81	600,000	173,000	182,000	245,000	259,000	(14,000)*
1981-82	562,000	181,000	163,000	218,000	214,000	4,000

*Denotes area treated in excess of areas requiring regeneration treatment.

A complete explanation of the data in the columns is given below:

Column 1: Fiscal year—denoting the year commencing April 1 and ending March 31 following.

Column 2: Total cutover area—denoting the total area cut in acres during the fiscal year preceding the reporting year.

Column 3: Area not available for regeneration treatment—denoting that part of the total area cut which, after inspection, does not warrant regeneration effort. Regeneration treatment of these areas with existing technology is neither possible nor cost effective, principally due to: (i) site constraints, i.e., too rocky and/or too wet; (ii) access constraints, i.e., winter cuts which are inaccessible in spring and summer; (iii) utilization constraints, i.e., area with residual stands or trees which precludes the use of silvicultural equipment.

Column 4: Area regenerated naturally—denoting that part of the total area cut which, after inspection, is judged to meet the provincial regeneration standards.

Column 5: Area requiring regeneration treatment—denoting that part of the total area cut which, after inspection, is judged in need of silvicultural treatment to establish a new forest.

Column 6: Area regenerated artificially—denoting that part of the area indicated in column 5, which has been treated during the fiscal year.

Column 7: Area requiring treatment but not treated—denoting the difference in area indicated in column 5 and 6.

BEVERAGE CONTAINERS

666. Mr. Foulds: When was the interministerial task force on refillable soft drink bottles established? What were the reasons for establishing the task force? [Tabled November 9, 1982]

Hon. Mr. Norton: There is no interministerial task force on refillable soft drink bottles. There is, however, an interministerial committee on beverage containers.

It was formed in the spring of 1982 at the request of the Minister of the Environment to ensure that all aspects of the issue were considered. The other ministries are Consumer and Commercial Relations and Industry and Trade.

667. Mr. Foulds: Would the minister list the names and the positions of those who are members of the interministerial task force on refillable soft drink bottles? [Tabled November 9, 1982]

Hon. Mr. Norton: There is no interministerial task force on refillable soft drink containers. There does exist an interministerial committee on beverage containers, comprising the following staff:

Ministry of the Environment—Mr. Bill Balfour, manager, municipal waste section, waste management branch; Mr. Joseph Petoia, head, municipal waste systems unit; Mrs. Christine Lucyk, economist, policy and analysis branch.

Ministry of Industry and Trade—Mr. Jack Cole, senior policy adviser.

Ministry of Consumer and Commercial Relations—Mrs. Dagmar Stafl, economist.

668. Mr. Foulds: How many meetings of the interministerial task force on refillable soft drink bottles have taken place? On what dates were these meetings held? [Tabled November 9, 1982]

Hon. Mr. Norton: There have been numerous meetings, some planned, some unplanned, many with industry groups and some with other interested groups. The committee met on average once a week since formation.

669. Mr. Foulds: Will the Minister of the Environment indicate the names of the groups

or industries that have made submissions to his interministerial task force on the regulations regarding refillable soft drink bottles? Will the minister table these submissions? [Tabled November 9, 1982]

Hon. Mr. Norton: There is no interministerial task force on the regulations regarding refillable soft drink bottles. There is an interministerial committee on beverage containers and it has received submissions from the following external groups:

1. Ontario Soft Drink Association (OSDA);
2. Independent Bottlers Group of OSDA;
3. Second Independent Bottlers Group of OSDA;
4. Canada Dry Ltd.;
5. Continental Group;
6. MCMAC (Metal Container Manufacturers Advisory Council);
7. Glass Container Council of Canada;
8. Retail Council of Canada;
9. An "unattached group of bottlers" (L. Blair);
10. Alcan Canada Ltd.;
11. Pepsi-Cola Canada Ltd.;
12. Carling O'Keefe, Molsons, Brewers Warehousing;
13. Recycling Council of Ontario and many community/municipal recycling groups;
14. A group of Coca-Cola bottlers;
15. Stelco, Dofasco Ltd.;
16. Twin-Pack Ltd.

The submissions will not be tabled at this time.

OPP COMPLAINTS DATA BANK

671. Mr. Breithaupt: Will the Solicitor General advise the House if it is the practice of his ministry to put the name of any person who registers a complaint against the OPP into a computer tape and disc data bank which includes information about that person's medical history, aptitudes, attitudes, character and mode of living? If this is no longer the practice of the Ministry of the Solicitor General, when did it change? What is the current practice regarding maintaining personal data banks on persons registering complaints against the OPP? [Tabled November 16, 1982]

Hon. G. W. Taylor: The Ontario Provincial Police retains information concerning complaints about policing services and police officers' conduct. The information in the records is used for determining whether the alleged misconduct took place or whether policing services are

adequate, and is used as the basis for remedial action.

Normally, the investigation file contains only the name, address and telephone number of the citizen complainant. The file may, depending on the nature of the complaint, include personal information respecting the police officer complained against, such as performance, character and reputation. Similar information only where relevant to the registered complaint issue may also appear in respect to the complainant.

The Ontario Provincial Police original description of information contained in the public complaints data bank identified every piece of information which might conceivably be contained in such a data bank.

It has never been an OPP policy to solicit as a matter of course information about any person who registers a complaint against the OPP or its members in respect of a complainant's medical history, aptitudes, attitudes, character or mode of living. Under no circumstances, except where relevant to the complaint, are records maintained.

Since January 1981, it has been the practice of the OPP to enter a citizen complainant's name and the type of complaint into an electronic data processing system for the purpose of indexing and statistical analysis and no other information is stored.

To eliminate any misunderstanding the wording of the description in the listings of personal data banks has been amended as follows:

"The records in this bank identify persons making complaints about (1) policing services, and (2) police officers' conduct. The information in the records is used for determining whether the alleged misconduct took place or whether policing services are adequate, and as the basis for remedial action.

"Normally, the investigation file contains only the name, address and telephone number of the citizen complainant. The file may, depending on the nature of the complaint, include personal information respecting the police officer complained against, such as performance, character and reputation. Similar information only where relevant to the registered complaint issue may also appear in respect to the complainant.

"Storage: on paper, in file folders, computer tapes and discs, by file number, name of complainant and name of OPP member.

"Individuals listed: approximately 700 complaint files per annum."

VD PATIENT FILES

672. Mr. Breithaupt: Will the Minister of

Health advise the House if his ministry maintains files on venereal disease patients until their 80th birthday or until one year after their death? If such is no longer the practice of the ministry, when did it change? What is the current practice regarding retention of venereal disease files on persons affected? [Tabled November 16, 1982]

Hon. Mr. Grossman: It has been and continues to be the practice of the ministry to maintain a syphilis registry for use by provincial VD clinics and medical officers of health. The file is maintained until the 80th birthday. It is not ministry policy to maintain files on venereal disease patients after notification of their death. The ministry discontinued its gonorrhea registry in April 1981.

ONTARIO HERITAGE FOUNDATION

673. Mr. Breithaupt: Will the Minister of Citizenship and Culture advise the House if it is the practice of the ministry to gather information such as character, reputation, family details, income, assets, liabilities, tax information and personal references on individuals who have donated to the heritage foundation? If this is no longer the practice, when did it change? What is the current ministry practice regarding the collection of information on donors to the heritage foundation? [Tabled November 16, 1982]

Hon. Mr. McCaffrey: The Ministry of Citizenship and Culture has not gathered personal information regarding individuals who have donated to the Ontario Heritage Foundation.

It has been the practice of the Ontario Heritage Foundation, an agency of the Ministry of Citizenship and Culture, to receive certain personal information from donors of gifts to the foundation. It should be emphasized that all such information is provided, on an unsolicited basis, by donors, or upon agreement of donors, by their lawyers, accountants or others involved in discussing a donation.

The Ministry of Citizenship and Culture does not collect information on donors to the Ontario Heritage Foundation.

ALLOWANCES FOR MEDICALLY NECESSARY TRIPS

674. Mr. Wildman: Would the Minister of Community and Social Services inform the House of the total amount of provincial funds spent to enable needy Ontario residents to make medically necessary trips in the fiscal year

1981-82 and so far in the current fiscal year? [Tabled November 17, 1982]

Hon. Mr. Drea: This ministry provides travel and transportation allowances to those in need under the Special Assistance Provisions Act.

A significant portion of this expenditure is for medically necessary trips: (1) airline transportation from remote areas for hospital and/or emergency treatment; (2) taxi trips for elderly and disabled persons requiring hospital treatment or therapy; (3) a parent accompanying a child to the hospital.

Travel and transportation allowances are not categorized according to the nature of the travel request; specific figures on expenditures for medically necessary trips are thus not available.

The total travel and transportation expenditure for the fiscal year 1981-82 was approximately \$1,850,000.

RESPONSE TO PETITION

ASSESSMENT APPEALS

We, the undersigned, beg leave to petition the parliament of Ontario, as follows: for permission to make a late appeal to the assessment review court for the 1982 taxation year, concerning the assessment of our homes insulated with urea formaldehyde foam insulation.

Hon. Mr. McMurtry: There is no provision in the Assessment Act which allows for anyone to obtain permission to make a late appeal on their assessment. Under sections 39(2) and 39(3) of the Assessment Act, as follows, a person has 21 days from the return of the assessment roll to file a notice complaining about their assessment:

(2) Any person including a municipality or a school board may, within the time limited by subsection (3), give notice in writing,

(a) to the regional registrar of the assessment review court; and

(b) to any other person whose assessment is complained of,

complaining that any other person has been assessed too low or too high or has been wrongly inserted or omitted from the roll and shall give a name and address where notices can be served on him and on any such other person by the regional registrar as provided by subsection (4), and the matter shall be decided in the same manner as complaints by a person assessed with regard to his own assessment. 1971, c. 79, s. 10, part.

(3) A notice of complaint,

(a) to the regional registrar under subsection

(1) or (2), shall be mailed to him by ordinary mail; and

(b) to any other person whose assessment is complained of, shall be mailed to him by registered mail,

within 21 days after the day upon which the

roll is required by law to be returned, or within 21 days after the return of the roll in case the roll is not returned within the time fixed for that purpose, and the regional registrar shall immediately transmit a copy of all notices received by him to the assessment commissioner. 1971, c. 79, s. 10, part; 1974, c. 41, s. 17(2)

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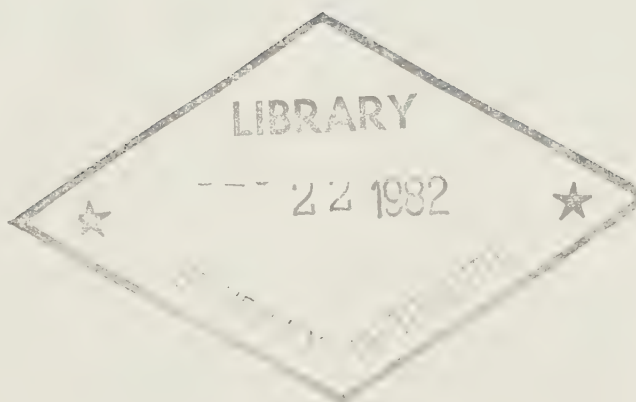
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No. 171

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament
Monday, December 13, 1982
Afternoon Sitting

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Monday, December 13, 1982

The House met at 2 p.m.

Prayers.

SITUATION IN POLAND

Mr. Ruprecht: On a point of privilege, Mr. Speaker: I would like to make a few comments on the first anniversary of the imposition of martial law in Poland.

As someone who was born in Poland and had the opportunity to travel to Poland and meet face to face with Lech Walesa, the important leader of the Polish Solidarity union, I believe Sunday, December 12, is especially significant. This date marks the anniversary of the declaration of martial law in Poland, an act that was used by the military government to legally destroy the hard-won freedoms gained by Solidarity and then eventually Solidarity itself.

Poland under martial law became a vast prison in which élite paramilitary forces crushed all forms of democratic expression. The Polish government itself stated that some 10,000 Solidarity activists were forcibly interned during the past year. Yesterday General Jaruzelski indicated that martial law might be lifted soon and Poland would return to a more normal government but that the government would continue to have the club of martial law ready to use in case the people again began to resent tyranny and oppression.

I am not one who joins in the collective sigh of relief at the lifting of martial law or the release of internees. The Polish crisis is not over; it is just beginning. No government, no military regime can ever hope to successfully suppress the legitimate demands of its people for a more just and more equitable life. The communist system as applied in Poland and eastern Europe has failed abjectly to respond to the needs and aspirations of the people.

During my visit to Poland it became very clear that the system was characterized by a self-perpetuating élite similar to a feudal aristocracy, who owed their allegiance to the system and were rewarded by that system with extra privileges and powers. Not for them the long lineups, the food shortages and inadequate housing of the general population. Polish society resembles a pyramid, with the people at the

bottom having the least number of privileges. Soviet-style communism, instead of serving the workers, serves the élite.

We in Ontario and Canada must continue to support the full restoration of Solidarity under the terms of its agreement with the government. We must also continue to condemn the Polish military government for its continual disregard for basic human rights and individual liberties.

Finally, we must continue to condemn Soviet imperialism and foreign intervention, since the USSR is the source of power and oppression. "USSR" to me stands not for "Union of Soviet Socialist Republics" but for "unwilling subjects of Soviet repression."

Mr. Shymko: Thank you, Mr. Speaker, for allowing me to add some remarks to the statement of the member for Parkdale. I would like to say that, as the French saying goes, "Plus ça change, plus c'est la même chose." The more one sees changes in the present regime in Poland under military occupation, and imposed by the Soviet Russian administration, the more we see things remain in the same tragic state, as the plight of the Polish nation continues to evoke the best sentiments of those of us living in freedom.

The so-called suspension of martial law will continue to mean a suspension of freedom, a suspension of the rights of workers to organize free trade unions and a suspension of democracy.

I hope that the most important aspect of this announcement will be to ask those of us at all levels of political jurisdiction to continue to campaign actively for the release of all political prisoners who continue to be incarcerated, to continue to demand the restoration of a free trade union movement in Poland and to demand that Solidarity be allowed to conduct its activities in freedom. As Edmund Burke pointed out, the best guarantee of totalitarianism and slavery in every corner of the world is that men of goodwill remain silent.

I join the honourable member in protesting in the strongest political terms the continued grievous violations of fundamental civil and political rights of workers and of the people of Poland.

Mr. Rae: Mr. Speaker, I had occasion to represent my party on the weekend at two

events to commemorate the first anniversary of the declaration of martial law in Poland: first, on Saturday at the city hall, where there was a Solidarity conference involving representatives from many of the captive nations; and second, a mass last night at St. Michael's Cathedral which was held to commemorate that terrible event.

I want very much to associate our party with the concerns that have been expressed today by the member for Parkdale and the member for High Park-Swansea with respect to the importance of the link between political and economic freedom and the link between civil liberties and the ability of an independent trade union movement to survive and flourish.

In that light, I want to quote from the statement by His Eminence Cardinal Carter on the occasion of the anniversary of the papal encyclical on human worth. Cardinal Carter said, and I think these are words that many of us should take to heart:

"The rights of workers have come under attack in various parts of the world. Many of us have watched with grave concern the attacks in Poland on the trade union Solidarity and have sought to support workers there. No less should we seek to assure the rights of workers here in our own country.

"The economic crisis in which we find ourselves is growing more acute. The hardships and suffering which it is causing are increasing. The burden of economic depression tends to fall hardest on the most unprotected. Various elements in our society are searching for solutions. There are no easy or simple answers. What is clear, however, is that no solution can be accepted which abrogates the basic rights of workers to bargain collectively and in some circumstances to turn to the strike as a final resort."

2:10 p.m.

Our party very much wishes to associate itself with those words of Cardinal Carter as we commemorate this day, the solemn anniversary of the declaration of martial law in Poland. We have to keep our links and our ties to those in eastern Europe who are striving for freedom, but equally important we have to keep our ties with those who are striving for freedom right here in Canada and right here in Ontario.

STATEMENT BY THE MINISTRY

ONTARIO ADVISORY COUNCIL ON THE PHYSICALLY HANDICAPPED

Hon. Mrs. Birch: Mr. Speaker, I am pleased

to table the seventh annual report of the Ontario Advisory Council on the Physically Handicapped.

This report covers the 12-month period ended March 31, 1982, most of which fell within the International Year of Disabled Persons. The public meetings sponsored by the advisory council and the advice given by the council to this government contributed greatly to the development of major government programs that commenced, were enlarged or were augmented during that very special year.

This annual report reflects the hard work and contribution of advisory council members under the direction of Jack Longman of Windsor, who continues to provide excellent leadership to this council.

ORAL QUESTIONS

DEATHS AT HOSPITAL FOR SICK CHILDREN

Mr. Peterson: Mr. Speaker, I have a question for the Attorney General, who has just arrived in the House. On May 25, 1982, referring to the Nelles investigation, he stated in the House, "I do appreciate that the public would probably be dissatisfied by an investigation that dragged on for a large number of months."

He mentioned at the same time that the chief of police was aware that time was of the essence, at least the necessity of concluding the investigation with some dispatch. Here we are almost at the end of the session, many months since the police inquiry started. Can the Attorney General bring this House up to date on that investigation?

Hon. Mr. McMurtry: Mr. Speaker, the investigation obviously has not been concluded or I would have so advised the Legislature. The chief of police and I both would be quite satisfied to have had the investigation concluded by now, because one does appreciate the intense, ongoing public interest with respect to this whole tragic affair.

Investigations often lead to unexpected developments and to unexpected additional leads. These all have to be pursued carefully, as they have been in this case. I am not in a position at present to speculate as to when this investigation will be concluded.

Mr. Peterson: I know the Attorney General is mindful of the potential ramifications of this dragging on incessantly and having no results day after day. He is aware that the police have been into this investigation now for some 21

months. At this point, there are no visible results.

Is he any closer in his own mind to asking for a public inquiry, giving a commissioner, possibly a judge, powers that the police perhaps would not have, because it increasingly appears there may not be any results from his investigations?

Hon. Mr. McMurtry: It would be quite unwise for anyone in this Legislature to speculate at this point as to what might or might not happen as far as this investigation is concerned. Until the investigation has been completed, it would be equally unwise for me to speculate as to the appropriateness or otherwise of a public inquiry.

Mr. Renwick: Mr. Speaker, I am quite disturbed that the Attorney General is so indecisive in his remarks. Can he tell us when he last consulted with the chief of police and those carrying on the investigation? Has he been told when it is likely this investigation will be completed? Is it likely to be true that it will not come to any successful conclusion, that the results will be inconclusive and that, some time when this House is not in session, the Attorney General will make an announcement about it?

Hon. Mr. McMurtry: Mr. Speaker, I receive regular reports from the law officers of the criminal branch of my ministry who are in almost daily contact with the police in charge of the investigation.

Mr. Peterson: The Attorney General is obviously reluctant to commit himself. Given the quasi-commitment he made six months ago, saying he did not want to see this thing drag on unnecessarily, and given that he appears today at least—and I do not mean to put words in his mouth—to be no closer to a conclusion than he was 21 months ago when this thing started, or at least six or eight months ago when he renewed the investigation with some vigour, is the Attorney General prepared to tell this House when he expects a report from the police? Within what time frame is he now operating?

Hon. Mr. McMurtry: With respect, I think the Leader of the Opposition, by the wording of his questions, is suggesting that I am in charge of the investigation. I am not suggesting this is his intention, but it should hardly need to be restated that the Attorney General of this province is not in charge of any police investigation. This is a responsibility we leave with individuals who have demonstrated in the past their capacity to fulfil or discharge their responsibilities in this area in a very effective fashion.

Obviously, all these months having passed,

the police are closer to some final decision on this matter. I want to make it clear to this House that considerable police resources have been allocated to this investigation. There is nothing I have learned during the course of this investigation that would suggest I should not continue to have confidence in the manner in which the investigation is being carried out by members of the Metropolitan Toronto Police Force.

PRICE RESTRAINT CRITERIA

Mr. Peterson: Mr. Speaker, I will ask a question of the government House leader, in the absence of both the Premier (Mr. Davis) and the Treasurer (Mr. F. S. Miller), as we proceed this afternoon to deal with certain amendments to Bill 179.

Is the government House leader aware that a number of commentators and experts in economics say one of the great pressures in our economic system today is the prices pressure? I refer the minister to "Business Trends" in the *Globe and Mail* this morning under the heading "Wage Costs Falling; Prices Real Problem." The article says:

"All of this suggests that the problem for the economy in 1983 will not be, as Ottawa claims, too much wage inflation. It will be the persistence of price inflation—with most of it initiated by governments and regulators who are able to add to taxes and costs with no regard for economic conditions."

Clearly that says governments are one of the chief culprits at present.

Will the minister agree with me that the amendments the Liberal Party will be bringing forth this afternoon, which he is very well aware of, would add substantially to keeping inflation in line? Will he also agree with me that governments have a responsibility to do what they can at this time of restraint to make sure that we do not push prices beyond most people's capacity to deal with them at the same time as we are restraining their wages?

Hon. Mr. Wells: Mr. Speaker, I would say several things to the Leader of the Opposition. First of all, I do not disagree with his thesis concerning prices. Second, I believe our bill does handle that situation well. Third, the Treasurer will be prepared to comment on each of the amendments, if and when we arrive at them, this afternoon and evening.

Mr. Peterson: The realities are that public transportation, quasi-regulated by the province at least, has gone up by 27 per cent in the past year; household fuel, water and electricity are

up by 17.5 per cent; motor vehicle registration fees are up by 17 per cent; gasoline is up by 16.6 per cent—and this government is profiteering on gasoline pricing; public transportation is up by 15.8 per cent; alcoholic beverages are up by 15 per cent; tobacco products are up by 14.7 per cent; and so the list goes on. Property taxes also are up by 12.9 per cent, and health care is up by 11.7 per cent.

The government has some regulatory authority over many of these items, and it now has an opportunity to address some of them through the amendments we are going to propose. Will the minister now commit himself, his colleagues and his government to doing what they can to fight inflation by voting, at the very least, for a restraint on rent increases?

2:20 p.m.

Hon. Mr. Wells: My friends will have a chance to have a full discussion on matters concerning rents both tomorrow afternoon and when my colleague the Minister of Consumer and Commercial Relations (Mr. Elgie) presents his bill. In this province I believe we have a mechanism to handle rent increases as we do to handle many price increases. Indeed, the mechanisms set up in Bill 179 will fairly deal with the problem.

I am not going to get into a discussion about the Liberal amendments at this minute. The Treasurer has studied them all very carefully over the weekend and will be prepared to comment on them when—

Mr. Martel: You said you were not accepting them last week.

Interjections.

Mr. Speaker: Never mind the interjections, please.

Hon. Mr. Wells: The Treasurer has not offered a complete statement on all the amendments. If the amendments are permitted to be discussed by my friends over there this afternoon, the Treasurer will comment fully on each one. I suggest members should move along so they can hear what he has to say on them.

Mr. Swart: Mr. Speaker, it is nice to know the Liberals now have found that direct intervention on prices might have some control on inflation rather than just advocating high interest rates and wage controls.

Mr. Speaker: Question, please.

Mr. Swart: Can the minister tell us the rationale on which the cabinet decided to uphold the award to Consumers' Gas? That

decision was made in September after the New Democratic Party appealed last March against allowing Consumers' Gas to increase its rates by 32 per cent over a one-year period. That provided an increase in profits of 35 per cent, and it cannot be by any stretch of the imagination in line with the restraint program. That does not indicate the government is trying to do something about inflation, as the minister claims it is.

Hon. Mr. Wells: Mr. Speaker, I will be glad to let the minister responsible answer that question. I think my friend has asked that question before.

Mr. Peterson: Probably one of the biggest agencies the government regulates in this province is Ontario Hydro. Given that electricity, fuel and household water prices went up by more than 17 per cent during the past year, will the minister not agree that it would be a tremendous sign of good faith by his party to the people they are asking to restrain their wages by restraining hydro prices to a maximum of five per cent this year? Does he not agree that would give his government more credibility? God knows it is desperately in need of it on this bill.

Hon. Mr. Wells: I am convinced the mechanism we have laid out in Bill 179 is going to be effective and is going to be accepted by the majority of the people in this province.

SPARTON OF CANADA LTD.

Mr. Rae: Mr. Speaker, my question is to the Minister of Industry and Trade and concerns a company by the name of Sparton of Canada Ltd., which has a plant in London, Ontario. In January 1981, Sparton of Canada employed 225 employees. There are now 35 employees working there.

The minister is aware of some problems that have arisen as a result of a move by the company to a new site in Campbellford, Ontario. He will have received a letter from United Auto Workers, which has a collective agreement with the company in London, expressing some concern that the company may be endeavouring to get out from under its collective agreement in establishing this new plant in Campbellford.

The minister also will know that this plant was established with the direct assistance of his own ministry and that his own ministry officials assisted the company in searching for the new site. I want to ask the minister what assurances he got from the company, first, that there was no effort on the part of the company to avoid its obligations under the collective agreement; and

second, that there was no intention on the part of the company to reduce the work that was to be performed in London.

Hon. Mr. Walker: Mr. Speaker, the leader of the third party will appreciate that we maintain an inventory of vacant premises throughout the province, and that is available to any group of people who may be interested in locating in the province.

In this case, when our ministry was contacted about the matter of locating in some spot other than a built-up or large area in the province for the purposes of the kind of component the company intends to manufacture, there was some determination made by our ministry people with the Sparton people in London to find out whether it was movement of the existing plant, because under those circumstances we were not prepared to be a part of it.

Let me assure him that, being a local member from that area, I would not be at all interested in having the plant of an industry in my own riding moved to some other part of the province, although from time to time there are other members who might disagree with that.

In this special case we established from the Sparton people that there was no relationship between the two and that a totally new line of product would be established.

When we had the complaint from the UAW, our people recontacted the headquarters of the operation to be assured by the vice-president there that there was no intention of moving any part of the London operation; in fact, London ultimately would regain its present strength and the Campbellford plant would become a user of the London plant.

Those assurances were made, and we are satisfied they are accurate. We are going on the best advice we have available to us. We can never guarantee these things, but assurances were made by the corporate officials and our people were satisfied with those assurances.

Mr. Rae: I can understand the need for the minister to maintain good relations in Campbellford. After all, there are delegates there as there are all over the province.

I have right here a letter from Mr. E. W. Halayko, who is a former management employee of Sparton, and he brings three situations to my attention. I am quoting directly from his letter. He says:

"When I was program manager of Sparton Canada in London, I attended a meeting of senior staff in March 1981 that was discussing the business projections of Sparton for the

upcoming years. In the course of that meeting . . . the president and chief operating officer of Sparton Corp. of Michigan turned to K. Holland, the director of personnel relations, and stated to the effect, I want that union out of here—break it."

Second, prior to this gentleman's layoff at Sparton, he said he had access to the business plans for 1983. "In the section dealing with personnel relations, a statement was made that management was continuing to operate in such a way as to get rid of the union."

Finally, Mr. Halayko alleges that, as a shareholder of Sparton, he attended the company's annual meeting in October 1982—

Mr. Speaker: Order. The honourable member for Hamilton Centre

Ms. Copps: I understood we were not allowed to read letters into the record.

Mr. Speaker: The honourable member for York South.

Mr. Rae: At that meeting he asked Mr. Smith, the chairman and chief executive officer of Sparton Corp., what plans the company had for its Canadian operations. "Mr. Smith answered that there would be no new business in Canada until labour problems were resolved."

In the light of the evidence of these three instances, in the words of the letter of a clear intention expressed by the company to break the union, I ask the minister what guarantees he can give us that the reason for the move to Campbellford is not to get out from under a collective agreement and to break the collective agreement that has been signed in London, Ontario.

Hon. Mr. Walker: The best assurances I can give the leader of the third party are the indications from the corporate officials of that firm. We have no way of determining any better evidence than that.

2:30 p.m.

Mr. Sweeney: Mr. Speaker, given the fact that the work force in the London plant has been reduced from 260 to fewer than 35 and it is suggested that the work force in the Campbellford plant is expected to go as high as 300, why would the minister put money from his ministry into an operation which could be carried out in existing facilities with existing skilled workmen and move them to another location? As a matter of fact, the whole thing makes no sense to the workmen in his own riding. What is the mentality that the government would do such a thing?

Hon. Mr. Walker: Mr. Speaker, I think the member will find that the kind of assistance that was afforded in this case was from the plant locations division of the ministry that maintains the inventory of the vacant sites that are available. That is the first thing.

Second, it is my understanding that the plant in Campbellford is one that is especially modern and particularly geared to the kind of needs this particular company has to build the special component it intends to manufacture there. The current facilities in London, which I believe date back to 1923, are such old facilities that they do not fit the kind of requirements they have for sterile rooms and the like, for the new component that is being provided.

Let me assure the member when I took the various considerations into account, I certainly had no intention of seeing any kind of employment leave my own riding if it was at all avoidable. I can assure the member of that aspect.

Mr. Rae: The ministry must have known that machinery was moved out of the London plant during the strike that took place there in 1981 and has not been returned. That is one of the reasons the work force has been reduced so dramatically.

Why did the ministry jump in with both feet to aid companies without having the answer to such basic things as whether the new products are going to be different than existing ones; whether the company is trying to avoid its contract obligations with the union, the problem of a runaway plant; or what the net effect on employment will be? Just what guarantees and what questions did the minister ask before the department went ahead and gave this kind of assistance to this company?

Hon. Mr. Walker: In releasing the inventory of vacant premises that some rather large real estate company might also have in equal amount, in releasing the inventory that we had in terms of the availability of quarters throughout the province, some of which might have been in the member's own riding, we at least indicated to them where places would be available for their purposes.

Second, we did get the answers. Our ministry did talk to Sparton officials in Canada and in the United States to obtain the answers and were satisfied with the answers.

When the complaint was raised, the answers were reaffirmed. When the questions were raised again, the answers were reaffirmed again and we are satisfied to that extent. But the

inventory of the available premises, that list was simply provided to them. That was the kind of help that was afforded. Our ministry was satisfied with the answers they received from the people in Sparton.

SUBSIDIZED RENTAL HOUSING

Mr. Rae: Mr. Speaker, my question is to the Minister of Municipal Affairs and Housing. It concerns the housing crisis right now in Metropolitan Toronto, in particular the very real crisis that exists with respect to social housing.

Given that the Ontario rental construction loan program has produced only 10 completed units in the city of Toronto, North York and Scarborough; given the very real crisis that is now facing Cityhome, whereas the minister will now have heard from the mayor of Toronto that 4,000 people are waiting but just a handful are going to get homes, can the minister tell us what action he intends to take to see that social housing is built in the Metro Toronto area and that the needs of the people of this area are going to be met when the market is so clearly failing to meet them?

Hon. Mr. Bennett: Mr. Speaker, it is interesting that last Thursday night I finished my estimates in committee and I doubt that I saw the leader of that particular party asking any questions in relationship to the provision of housing in Ontario. I made very clear at the committee hearings some of the difficulties we are encountering—

Mr. Kerrio: When are you going to get TV cameras down there?

Hon. Mr. Bennett: I beg your pardon?

Mr. Speaker: Never mind the interjections please.

Hon. Mr. Bennett: Does the member mean the leader of the third party would be better focused on TV cameras there than he is here? He could be right.

I made it very clear at that time that we understand some of the problems relating to the field of housing; there is no doubt about that. I would say to the leader of the third party—

Mr. Swart: You are the biggest problem.

Hon. Mr. Bennett: That might be that member's estimation but some would think he is likely the greatest deficit to that party. I think we would have a great number in this House who would agree, even some members of his own party.

Mr. Speaker: Would the minister address the question, please?

Hon. Mr. Bennett: Mr. Speaker, we have discussed the situation with Mr. LeBlanc, the new minister reporting for housing with the federal government, in relation to the allocation of units under the municipal and private non-profits and co-ops as to how we can get more units for Ontario.

Over the last number of years this province has provided a rather substantial number of units. I want to emphasize here today that at the moment there are about 114,000 units in the province and we have an annual turnover of somewhere between eight per cent and 10 per cent of new people coming on to our waiting list for housing.

Already this province, along with the federal government, spends about \$300 million annually in subsidy programs. In addition to that, we continue to have programs for nonprofits for the municipalities and the private sector and for co-ops. Our allocation there is somewhere around 4,500 units per year.

Over and above that, we have had the Ontario rental construction loan program, from which we had 16,700 units taken up, and 20 per cent of which, over the period of time when they are completed in their construction form, will be made available to the various housing authorities across the province. We also have the Canada rental supply program, which is a federal program in existence right now in this province and across the country. From 25 per cent to one third of those units will be turned over to the various housing authorities for their use in applying the supplementary rental support program in the various areas of the province.

Third, we have had the renter-buy program in the current year, for which this government has allocated something in the range of \$75 million. Today we have about 10,600 units that have already been taken up. Let me suggest to this House that we will achieve at least 12,000 units under that program in the current year: 6,000 for people who leave rental accommodation in the province and 6,000 for people who fill the first-time requirement for a housing unit.

Extrapolated into realistic terms, that is 12,000 who will either have moved out of rental accommodation or will not require rental accommodation. Through the programs of the federal and provincial government, we continue to analyse and to try to serve the marketplace.

I think it is unrealistic, as I said on Saturday in my own constituency office in Ottawa, if one

thinks this government and the federal government have the capacity to build to the maximum requirement of the waiting list as of today. The governments, federally and provincially, have tried to supply the requirements in the marketplace, keeping in mind some realistic positions in the financial terms.

Mr. Rae: I do not know who the poor constituent was who got the third part of the answer in the minister's constituency office.

I would like to draw to the minister's attention, although I am sure he has seen it, the article on the front page of today's *Globe and Mail*, describing the plight of one Stephen Valentine, who happens to have a one-bedroom apartment on Woolner Avenue, which is in the riding of York South. His rent has gone up from \$232.25 to \$296 this year and will go up to \$370 next year.

All the talk the minister has made about the renter-buy program is not going to do anything for Mr. Valentine, because he is not in a position to afford a house, particularly because his salary is just about to be frozen by the provincial government.

Mr. Speaker: Question, please.

Mr. Rae: With all the talk the minister has given us, the programs he has described have produced 10 units from the ORCL program in Toronto, which has a need of 31,000 for people who are on a waiting list for socially-assisted housing. Is the minister seriously telling the House that the government is anywhere near meeting that need of 31,000 people on the waiting list?

Hon. Mr. Bennett: It is interesting. Johnny-come-lately—

Interjections.

Hon. Mr. Bennett: A year ago we went through this very same discussion. The leader of the third party analysed it strictly from the federal point of view, his interests are very limited and very well focused in that area.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Bennett: I said a year ago in this House, and I will repeat it, one of the problems we have—and I think we might as well become very realistic, although the member obviously does not want to be realistic—is that we are not able to find—

Mr. Swart: You are the main problem.

Mr. Speaker: Order.

2:40 p.m.

Hon. Mr. Bennett: If the member for Welland-Thorold would keep quiet for a moment, he might learn something.

I said clearly at that time that the cost of trying to produce units—and I could not care less whether it happens to be the federal government, the provincial government or the private sector—in the downtown Metropolitan Toronto area at a realistic cost under a subsidized program is virtually impossible, if not impossible, in this day because of the cost of land alone.

I said that out of the 16,700 units we had, virtually 50 per cent of them were in the Metropolitan Toronto area to serve the market requirements of this jurisdiction. We think that is realistic in trying to find ways of housing people at costs, I want to suggest to the members of this House, that are easily accepted by the other wage earners and taxpayers of this province.

Mr. Foulds: Like yours.

Hon. Mr. Bennett: Yes, and I make no apology to the member for Port Arthur, absolutely none. I paid for my own, so the member should not worry about it.

Mr. Foulds: Which one, Claude?

Mr. R. F. Johnston: Which one are you paying for?

Mr. Bradley: Same one as Mike Cassidy.

Hon. Miss Stephenson: Exactly, the same one as Mike Cassidy.

Mr. Speaker: Order.

Hon. Mr. Bennett: I thank the member for St. Catharines (Mr. Bradley). I agree with him.

I said clearly at the time, a year ago, and I repeat today that we have—

Mr. Nixon: The Liberals are pure.

Interjections.

Hon. Mr. Bennett: I will not ask the member for Brant-Haldimand-Norfolk (Mr. Nixon) for a further description. I said at that time—

Interjections.

Mr. Speaker: Order. Will the minister address the question, please?

Hon. Mr. Bennett: Mr. Speaker, I recognized at the time, a year ago, when one remarks about 10 units in downtown Toronto, that we would love to see more than that but I have to be realistic. First, we do not possess the land. Second, the cost of trying to construct them through the private sector is beyond the position of putting it into a rent supplement program.

I want to draw to the attention of the House that while it is easy to sit there and be critical because neither the federal nor the provincial government is able to provide units in the downtown Metropolitan Toronto area, the cost of trying to do so becomes extremely difficult, if not beyond all realism.

I look at some of the units we took up at Charles and Bay, which is an agreement we got involved in as a result of an agreement by the city council of Toronto. I ask the members of the opposition to look at what it is costing us as taxpayers, federally and provincially, in trying to maintain those 79 units in a downtown jurisdiction that was committed by a local government for which we had no other responsibility than to pick up that obligation. The cost has been astronomical, far beyond realism for the average taxpayer in this province to comprehend.

This government will continue to try, along with its ally the federal government, to design programs that will bring—

Mr. Cassidy: The feds are allies now?

Mr. McClellan: Your allies?

Mr. R. F. Johnston: Ally?

Hon. Mr. Bennett: Certainly, because I am willing to admit to the member for Ottawa Centre (Mr. Cassidy) that we alone in the province are not going to supply the whole housing situation. It will be by a co-operative effort, federally and provincially, and, for the member's information, with the response and at the request of the municipalities there might come a day when we might have to ask the municipalities to come back into the housing provision program as well.

Mr. Epp: Mr. Speaker, the Minister of Consumer and Commercial Relations (Mr. Elgie) indicated a few weeks ago that because of the rent review problem the Minister of Municipal Affairs and Housing was going to look into ways of subsidizing housing and creating more rental units in the city of Toronto. The mayor of Toronto has recently indicated they need somewhere between 6,000 and 12,000 units in the city of Toronto for needy families who are out of accommodation or are in substandard accommodation and so forth.

How does the Minister of Municipal Affairs and Housing expect to reply to the great needs that are out there, particularly in the city of Toronto but also in other parts of the province where these needy families need accommoda-

tion? The Minister of Consumer and Commercial Relations has challenged him to come up with an innovative program to meet those needs. Can we expect an announcement in the near future from the government with respect to these important problems that are facing families in Ontario?

Hon. Mr. Bennett: Mr. Speaker, I trust the member will recall that a few weeks ago, in response to a question of a similar nature from the official opposition, I said one of the areas we had to work on in a very diligent way with the federal government was to try to get the allocation of units to Ontario increased somewhat over what we had in 1980, 1981 and 1982. If we could get them increased in the municipal nonprofit, the private nonprofit and the co-ops, I thought it would help us to resolve some of the difficulties of the day.

It would not do it alone; I was willing to admit that. There would have to be other innovative programs that federally and provincially we would work on. Whether it be something related to the Challenge 2000 and some of the things that we had tried to explore in that area, or whether it even be further expansions where governments take an equity position in the development of some types of rental construction, I am not quite sure at the moment.

I do assure this House that the challenge that was offered to me by the Premier (Mr. Davis), and indeed my colleague in the Ministry of Consumer and Commercial Relations, is one that we are working at diligently. I indicated in my estimates just a week ago that not only is this Ministry of Municipal Affairs and Housing working at trying to gather together some of the background information necessary to design a very adequate program for the provision of accommodation, but we were calling upon the federal government as well, we were calling upon the municipalities and the Association of Municipalities of Ontario, we were asking the private lending institutions to give some thought as to how we might achieve it.

Indeed, I have also asked the Housing and Urban Development Association of Canada, the Urban Development Institute and the Canadian Institute of Public Real Estate Companies, which are three of the major developer organizations not only in Ontario but in Canada, to give some thought as to what governments along with the private sector, might do to try to offset some of the difficulties we are experiencing in the housing field. I have to say very clearly

and very distinctly in this House today that whatever our success will be in provision of adequate housing in 1983, 1984 and 1985, or whatever year in the future, this government has been able to provide, along with private industry, a very acceptable form of housing.

This province can in no way be considered to be less than of a national and international character in providing good housing for its people. Whatever success we are going to have in the future, I make clear today, will be because there is a co-operative understanding at the federal, provincial, municipal and indeed in private sector level, to provide that housing in the future. The capacity, financially, is not with this government alone.

If there is not a will by the federal government and the Canada Mortgage and Housing Corp. to co-operate with the provincial government of this province, if there is not a will and understanding by the private lending institutions, if there is not a will and an understanding by those in the construction industry, whether it be land owners or developers, we will not succeed. I am inviting, over the next number of weeks, that we have a blueprint put together that will afford some opportunity for the taxpayers of this province to have an appreciation of how we are going to achieve success in the adequate provision of housing in Ontario.

Mr. Rae: The long and short of what the minister appears to be saying is that there is no more room for poor people in the city of Toronto. That is really what the minister is saying as far as housing is concerned. In that regard, I would like to ask him to comment on the statement in the speech from the throne that says a wide range of initiatives will be taken to increase the stock of rental housing, particularly in the area in and around Metro Toronto.

How can the minister possibly justify the Ontario rental construction loan program, which has produced 10 units in Metro Toronto to meet the needs of 31,000 people? Is the minister seriously saying this is the best the government of Ontario, with its own programs, can do for people who need rent geared to income?

Hon. Mr. Bennett: The program which the leader of the third party—a position which he will obviously be in for a long time to come—has indicated is a program that we had in 1981. It terminated on December 31, 1981. It was not in the current year at all. The Canada rental supply program has been the rental program that has been in place in 1982, along with the

renter-buy program supported and advanced by the government of this province to try and give people the opportunity for ownership. The 10 units were recognized a year ago. I do not require the member for York South to remind me of the 10 units, but over and above that, it is easy for them to overlook the other aspects of the housing provision program.

In the course of the last year, there have been a number of units that have come in place in this metropolitan region, and particularly in Toronto through the Toronto Cityhome program, which is the municipal nonprofit. There have been private nonprofit organizations and indeed there have been the co-ops in this community. I trust the member for York South clearly recalls the terms of reference for the nonprofits, whether private or public or co-op.

A very interesting percentage of their units, which are heavily supported by the federal government through CMHC and backed up by the provincial Ministry of Municipal Affairs and Housing, are made available to people requiring rent supplement, the people less economically fortunate in our community, and they are in the Metropolitan Toronto area. As was said in the speech from the throne, that area includes a very large jurisdiction for which a very substantial number of units will be developed under the numerous provincial and federal programs.

2:50 p.m.

LENGTH OF TRACTOR-TRAILERS

Mr. Ruston: Mr. Speaker, I have a question for the Minister of Transportation and Communications with regard to the extension of the length of tractor-trailers on the highways. I understand the minister has been considering the possibility of extending the length of tractor-trailers that are used on our highways from 65 feet to 100 feet—I did not use metric there. A television report last week, December 9, indicated these vehicles may be on the highways by next spring.

Does the minister really think he has done enough investigating and testing on the highways to allow these long trucks to go on the highways and take any chances? If one looks at the reports from the United States, where they have been studied, traffic accidents have increased considerably. Is the minister considering allowing these trucks on the highways in Ontario?

Hon. Mr. Snow: No, Mr. Speaker, I have not given any such consideration. There have been requests by the trucking industry for longer

units in the tractor-trailer field. I am on record as saying that would only be over my dead body.

Interjections.

Hon. Mr. Snow: I know some of the members might like to encourage that situation.

This is a matter I expect will be commented on by Dr. Uffen, who is carrying out the Ontario Commission on Truck Safety. Dr. Uffen has had representations from both sides, for instance, from the automobile club recommending against the longer trucks and from the trucking industry requesting the longer trucks. He has carried out some tests himself as part of his commission study. One of the double 45-foot units was operated on Highway 401, and certain testing was done at our research testing place at Huron Park.

There certainly has been no decision by the government regarding any increase in length. I will leave the matter open to receive Dr. Uffen's report. I am very much looking forward to whatever his recommendations will be. I am not committing myself at this moment or committing the government in any way to any recommendation that might be within that report. We certainly think Dr. Uffen is doing a very thorough job. We are looking forward to his recommendations. But at our level there is no consideration at this moment about authorizing a longer vehicle.

Mr. Ruston: I did not really intend to ask a supplementary, the way the minister first answered the question. He said "over my dead body," and since I have a great deal of respect for the minister I am sure this would not be put through without his consent, but will the minister assure me that if it is considered in any way whatsoever by the government, he will bring a bill into the Legislature and at the same time allow public hearings so that the public can come in to have their say before anything is done on this?

Hon. Mr. Snow: There has already been one round of public hearings. Dr. Uffen went across this province and held hearings—I cannot say how many; certainly at a large number of locations. He heard presentations from the public and from the industry on matters relating to truck safety. That has been done. Any change to the length of vehicles would require a change in legislation, which would come here.

CHILD ABUSE

Mr. R. F. Johnston: Mr. Speaker, my question is for the Minister of Community and Social Services and it concerns child abuse. I wonder if

the minister would comment on what I see as the failure of the child abuse registry in Ontario. Would he comment on the fact that since the old registry in 1978 we had 1,762 cases on file, and as of 1981 we had 603 in the new registry on file?

Is it still declining? Does the minister have any studies and will he table any studies done by his ministry on the efficacy of the new registry in order to give us a really clear idea of the extent of child abuse in Ontario?

Hon. Mr. Drea: Yes, Mr. Speaker, but I would point out that on the old child abuse registry there were a number of cases that were not exactly active. Indeed, some of them had been put on somewhat indiscriminately in the past and they really were not applicable.

There are a number of significant improvements coming along. The one interesting thing is just how the abuse registry is read. In the past it was a collection of file cards; now it is looked at quite actively. Indeed, I would think the honourable member would recall that a year or so ago, somebody wanted to put somebody on the registry, indeed they did, even though he had been acquitted in court. They wanted to know what the minister would do about it, and that person is not on the registry.

Mr. R. F. Johnston: I received a letter recently from Dr. John Byles at McMaster in which he says, "The sad fact is that there is no reliable information available about the prevalence of this problem"—child abuse—"or about the comparative effectiveness of various strategies for dealing with the problem."

Is the minister aware of his study of the Hamilton children's aid societies, which found that of 270 cases reviewed on file as child abuse cases by the children's aid society and the Catholic children's aid society only 13 per cent were ever put on to the actual registry; that only 11.9 per cent of the cases of abrasion and bruises, or 17 of 143 cases on file, ever made it to the registry; that only 14 of 47 cases of sexual interference ever made it on to the registry; and that only two of four cases of incest made it to the registry? Is the minister also aware that although only 36 of the 270 cases made it on to the registry, 135 of those children had been treated by doctors and yet did not make it on to the registry?

Is this happening elsewhere? How can we get a clear idea of what the real extent of the problem is in Ontario? As the minister knows, his own review of the Hamilton CAS situation did not draw notice to any kind of problem in

that area. Is it happening elsewhere, as Dr. Byles presumes it is? And how do we know?

Hon. Mr. Drea: First of all, that particular study by that person is somewhat controversial. Were one to look at the methodology and manner in which he conducted his study, it might be applicable to Hamilton but it certainly does not reflect across the province. In fact, it has been challenged rather substantially as not even applying in Hamilton.

With respect to child abuse, there is no question that it is a significant concern. There are two forms of it. Sexual abuse is receiving considerable scrutiny at the moment, thanks particularly to the study I commissioned and paid for in Metropolitan Toronto. With respect to child abuse—

Mr. McClellan: You paid for it?

Hon. Mr. Drea: Yes, I did. The member blames me for everything, so he might as well give me some credits too.

There is no question there has to be a concentrated effort to continue the work that has been done in the past few years. The professionals must continue drawing closer together in the reporting network, whether they be in the agency field or the medical field. There must be as close to accurate reporting of these matters as is humanly possible.

3 p.m.

On many occasions involving child abuse, the family hitherto has been totally unknown to the children's aid society, the medical field or any other agency. There is no alternative to the overall problem than for a continued effort to make sure there is as much early detection as is humanly possible. This has been done with training in the medical field.

I see the member is snickering. I guess he thinks that is funny.

Mr. R. F. Johnston: It is not funny.

Hon. Mr. Drea: There is no alternative to continuing effort to make sure there is not a repeat by reporting and placing the names on the child abuse registry. The child abuse registry must be utilized to make sure people who have committed or contributed to this very despicable conduct will not be near defenceless children again.

Ms. Copps: Mr. Speaker, the minister is no doubt aware that during the travels of the standing committee on social development, travels to look at the question of family violence, the issue of child abuse and, in particular,

the issue of incest was raised on a number of occasions.

I wonder if the minister might consider using his offices to encourage the government to refer to that committee the whole question of child abuse, in particular the problem that seems to be perceived with the child registry. If it were with the committee we might take a look at the situation across the whole province.

Hon. Mr. Drea: Mr. Speaker, I find it somewhat unusual that somebody in the opposition would ask the minister to persuade a committee to do anything. If the committee wants to do it, as it did with family violence—it did not consult me—my office will certainly co-operate as much as possible. But I think the member is asking a lot when she says a minister should be suggesting to a standing committee what its subject matter should be.

COURT DELAYS

Mr. Wrye: Mr. Speaker, my question is for the Attorney General. The Attorney General will recall questions I raised earlier this fall concerning the administration of justice in Windsor, specifically the huge backlog of cases that resulted in the dismissal of a charge against an accused because of delays which violated his right to a speedy trial.

I am reminded of the Attorney General's admission earlier this year when he said: "Government is not allocating enough resources to justice in the province. We have always been the poor cousins of government. There is not much political sex appeal in the administration of justice."

I understand the Attorney General recently spent a day in Windsor reviewing that deplorable situation. Now that he has held his meetings, can he tell us what he is going to do about a situation in which 58 of the accused cases outstanding were committed for trial back in 1980 and 1981, and at least as far back as a month ago? I have the complete list.

Does he believe the present blitz he has begun on this backlog is an adequate solution to the problem? Or is he now prepared to concede the solution includes committing more physical and human resources to the administration of justice in Windsor and Essex county?

Hon. Mr. McMurtry: Mr. Speaker, as the honourable member appreciates, the problems with respect to trial delays in Windsor are multifaceted. The resources issue alone, assuming we had all the resources we would like, would not resolve the issue. As I said earlier in

the fall we are hoping an additional appointment to the provincial court bench will be announced before the end of the year.

Mr. Martel: Send Morley down.

Mr. T. P. Reid: Let Morley be the judge.

Interjections.

Mr. Speaker: Order.

Hon. Mr. McMurtry: The member's friends next door do not seem to care about Windsor.

The Chief Justice of the province, in his capacity as the chairman of the Ontario Bench and Bar Council, has given the Windsor situation a priority. We are constructing an additional jury courtroom in Windsor.

I think the backlog problem will be resolved to some extent by the blitz that we hope will be going ahead early in the new year. This is similar to what we have done in Metropolitan Toronto. It would seem the major backlog in Windsor is due to the county court jury trials. We have some very special problems in Windsor because the overwhelming majority of criminal work is done by only a handful of people. This causes problems with respect to scheduling cases.

One accused was discharged because in the view of His Honour Judge Dunlap the trial did not proceed within a reasonable period of time. That case is now under appeal so I cannot comment any further on it.

I would simply reiterate we are very much aware of the problems in Windsor. They are being addressed and we hope to see some resolution of them early in the new year.

Mr. Wrye: I am glad the Attorney General raised the matter of the shortage of lawyers in criminal matters. In his earlier answer to me he said, "Part of the problem is that the number of lawyers active in the criminal courts is relatively small compared to the work that is available."

Given the concern the Attorney General expressed on that earlier occasion and repeated today perhaps he can tell us why during his Windsor visit neither he nor his officials met with members of the Criminal Lawyers' Association? This was despite the fact the president of the association, Don Tait, requested a meeting even on the day the Attorney General was in town—back on November 2?

Does he not feel a meeting would have allowed him to hear all sides of the sorry story, or is he just interested in making members of the local bar the scapegoats for his own lack of attention and that of his ministry to this longstanding problem?

Hon. Mr. McMurtry: We are not attempting to make scapegoats of anybody. The lawyers themselves have conceded this is part of the problem. Members of my ministry have met with members of the local defence bar. I was not aware of any requests for a meeting the day I was in Windsor. If I had been aware I would certainly have attempted to work it in.

Their views as to the problems were expressed at great length in a meeting of the Bench and Bar Council, which preceded my visit to Windsor. Two of the leading members of the Windsor defence bar were present at that meeting. Minutes were kept and I had the opportunity to familiarize myself with their concerns and suggestions.

Certainly, if the member would like, I would be quite happy to meet with any of those gentlemen at any time. There was certainly no intention on my part to avoid or not take advantage of such a meeting, but we have been in communication with them.

WORKMEN'S COMPENSATION

Mr. Martel: I have a question for the Minister of Labour, Mr. Speaker. Is the minister aware that Windsor Western Hospital and Riverview Hospital in Windsor apparently hired a former Workmen's Compensation Board employee, Terry Wilkins, who operates a business called Safety and Compensation Services, "occupational health and safety, loss control management, compensation and safety litigation."

Is the minister further aware he was hired on a handsome retainer last July to cut down the number of WCB claims in the hospitals? Is the minister further aware the health and safety committees have not been advised by the hospitals that this man has been hired for that purpose, but they are aware of his activities?

If we are going to use the proper routes to reduce accidents, does the minister not believe it will only be done through appropriate health and safety operations? The internal responsibility system should be working in an effort to reduce accidents. It should not be done through fighting industrial accident claims.

3:10 p.m.

Hon. Mr. Ramsay: Mr. Speaker, I am not aware of the gentleman in question, nor am I aware of his firm nor the involvement with the Windsor hospitals. However I am pleased to hear the member speak in a laudatory sense about the internal responsibility system. I certainly agree with him in the respect that the

internal responsibility system is the right approach to occupational health and safety.

Mr. Cooke: Mr. Speaker, I would like to ask the minister if he will investigate the situation and send Mr. Melinyshyn to Windsor to ensure the act is being adhered to and that health and safety committees are working properly. If so many accidents are happening at these hospitals, he should try to ascertain why they are occurring rather than having someone hired and paid for by the taxpayers to fight legitimate workmen's compensation claims.

Perhaps the minister should also talk to the Minister of Health (Mr. Grossman) and ask him to look at the matter. He might check why a hospital with such a short supply of health care funds is spending money on this kind of a consultant for hospitals in Windsor.

Hon. Mr. Ramsay: I believe my record is such that any time any of the members opposite bring a matter to my attention, whether in person or by letter or in the House, I do follow up and investigate and get back to them. I will do so in this case.

HIGH-TECHNOLOGY RESEARCH

Mr. Van Horne: Mr. Speaker, given the time, I will try to be brief. I would like to direct this question to the Minister of Industry and Trade. In view of the Ontario government's declared interest in fostering a high-technology industry I want to list just a few of the reports of the closings I have in front of me:

There is the announced closing of the Roche company, a relatively new, world-class, drug manufacturing plant in Montreal; the Ayerst drug company, a 300-man research and development facility, closing next year; the shelving of substantial expansion of the Merck-Frosst Laboratories; and in Ontario, the indefinite deferral of expansion by Syntex of its recently completed research facility in Mississauga. Finally there is the predicted closing of Smith Kline's, a new Ontario manufacturing plant, if appropriate redress is not forthcoming relative to the forced copying, in less than five years, of its largest and most important product.

These all result from an estimated \$400 million to \$500 million loss in sales in the last 15 years, in consequence of the federal government's forced licensing of validly patented products in this country. In view of the provincial government's direct equity interest in this field through its joint venture in the biotechnology company called Allelix, which will also be adversely affected by these federal regulations,

is the minister aware of the seriousness of this situation?

Second, can the minister tell us if he has responded to the federal government's seeking of advice from the provinces on the negative and discriminatory aspects of subsection 41(4) of the Canada Patent Act? This is part of an interdepartmental review relative to the development of new drug products and manufacturing.

Hon. Mr. Walker: I answer both those questions in the affirmative.

PETITIONS

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT BILL

Mr. Cunningham: Mr. Speaker, I have a petition addressed to the honourable Lieutenant Governor and the Legislative Assembly of Ontario:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows: We request that honourable members seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act."

I would like to go on record as supporting this petition.

Mr. Newman: Mr. Speaker, I have a petition signed by 59 individuals from the city of Windsor. It reads as follows:

"To the Honourable, the Lieutenant Governor and the Legislative Assembly of Ontario.

"We, the undersigned, beg leave to petition the parliament of Ontario as follows: We request that honourable members seek the withdrawal of Bill 127, An Act to Amend the Municipality of Metropolitan Toronto Act."

MOVING OF NURSING HOME

Mr. Edighoffer: Mr. Speaker, I have a petition addressed to the Lieutenant Governor and the Legislative Assembly of Ontario:

"We, the following, are residents of St. Marys and surrounding rural areas and wish to express our opposition to the proposed sale of nursing home beds out of the town of St. Marys. We recognize that, like most small towns in south-western Ontario, we have a very high percentage of retired people making up our population. If nursing home care should become necessary in their later years, we feel it is extremely unfair that they be required to move away from the town and area where they have lived, raised their children and formed lifelong friendships.

"We recognize the hardship that elderly residents of Smith Nursing Home will bear, if forced to move away from St. Marys in the near future.

We strongly petition the Ministry of Health to explore and consider alternatives which would enable a new nursing home facility to be built in the town of St. Marys."

This is signed by 2,337 residents of the area.

INFLATION RESTRAINT BILL

Mr. Sweeney: Mr. Speaker, I have a petition signed by 18 constituents from my riding:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows: We request you seek the withdrawal of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province."

FACILITIES FOR DEVELOPMENTALLY HANDICAPPED

Mr. Van Horne: Mr. Speaker, I am pleased to present a petition signed by 330 people, most of them from London but some from the London district as far away as Goderich. It is a petition to the Lieutenant Governor and the Legislative Assembly.

"We, the undersigned, urge that the five-year plan for the expansion of community services and consolidation of facilities for developmentally handicapped people be reconsidered. Especially, we are concerned with the closure of well-equipped, well-functioning hospitals. Placement in the community of many of the developmentally handicapped residents could only result in confusion, upset and regression."

INTRODUCTION OF BILL

CONDOMINIUM AMENDMENT ACT

Mr. Philip moved, seconded by Mr. Lupusella, first reading of Bill 206, An Act to amend the Condominium Act.

Motion agreed to.

Mr. Philip: Mr. Speaker, this recognizes there are additional costs to a condominium corporation caused by owners who do not live in the condominium unit which they purchase.

The bill would authorize condominium corporations to make bylaws providing for the collection of special levies from owners of residential units that are occupied by tenants.

ORDERS OF THE DAY

House in committee of the whole.

INFLATION RESTRAINT ACT

(Continued)

Resuming the adjourned consideration of Bill

179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

On section 1:

Mr. Chairman: We are dealing with Bill 179, and if memory serves me correctly, without reading the whole title, we were engaged with clause 1(a).

Mr. Cooke: Mr. Chairman, I am just going to take a couple of minutes to sum up our objections to clause 1(a) of the bill, which members will remember is the clause that outlines the name of the board, the Inflation Restraint Board.

We oppose this clause because it is misleading. It tries to call this board an inflation restraint board when we all know the reality is that it is a wage control board and only a wage control board.

3:20 p.m.

It does nothing about prices. Even the Liberal Party is now coming along with our party in indicating that prices are running ahead of wages and that the real cause of inflation in Ontario and in our country is prices. Prices can in fact be controlled by government—the prices of gasoline, home heating fuels like those of Union Gas and Consumers' Gas, and the price of food. The government could have an influence on these if it had the will to involve itself in the economy and if it was committed to a real inflation control program, not a program designed to give the impression it has a handle on the economic problems when in reality it does not.

This clause is symbolic of the whole problem of the bill, in that the government is taking no action to control inflation nor to create jobs. It has simply introduced this bill to give the people of the province the impression it understands what the problems are. It also is playing to a feeling within the province that unions are a problem. Instead of providing leadership in indicating what is causing inflation and instead of showing economic leadership, it is more concerned about the fortunes of the Conservative Party.

We have given examples. I would like to go over a couple more of them. As the Treasurer (Mr. F. S. Miller) will know, the average salary within the Ontario Public Service Employees Union, the people who work directly for this government, is about \$20,000. Something like 60 per cent of the employees who work for this

government earn less than \$20,000. Instead of controlling prices, the government has taken the approach that it will control those wages.

Let me put forward the example of Joyce Morgan. She is 40 years old and lives in Brantford. She works for social services, I believe. She gets the \$4.19 per hour that a file clerk at the Brant county welfare office gets, and her wages will be controlled under this program. But her housing costs will not be controlled; her insurance costs, her food costs, her home heating costs—none of those costs is going to be controlled by this government.

We are saying this clause of the bill is wrong. It is the wrong name for the bill. It deliberately tries to mislead the people into believing that inflation will be controlled when the reality is that the program intends only to control the wages of the public sector in the province. So we will oppose this section.

3:34 p.m.

The committee divided on whether clause 1(a) should stand as part of the bill, which was agreed to on the following vote:

Ayes 87; nays 22.

Mr. Chairman: Clause 1(b)?

Mr. Mackenzie: Mr. Chairman, this is really by way of explanation. I notice that clause 1(b) says that "minister" means the Minister of Consumer and Commercial Relations. I have had a little difficulty from day one as to why in this particular section it is the Minister of Consumer and Commercial Relations. It seems to me that, under part I, the Inflation Restraint Board more likely might have been attributed to the Minister of Labour; or that section 3, which outlines the board, might have referred to the Minister of Consumer and Commercial Relations if, indeed, it were really dealing with prices.

I really have some difficulty in understanding why, in clause 1(b), "minister" means the Minister of Consumer and Commercial Relations. I would like an explanation for that.

Hon. F. S. Miller: Mr. Chairman, you will notice that there are two definitions. The Treasurer is called by that name, as opposed to "minister," simply to differentiate between the two ministers who have responsibility for different parts of the bill. It happens that we chose the various ministers who have some degree of responsibility. The Minister of Consumer and Commercial Relations is to administer the prices section of the bill. That is why he is named.

Mr. Mackenzie: Surely it would have made more sense to have that description under section 3. It would seem to me that the Inflation Restraint Board is probably going to bear more heavily on the Minister of Labour than it will on the Minister of Consumer and Commercial Relations.

Mr. Swart: Mr. Chairman, I have some strong questions as to why it should be the Minister of Consumer and Commercial Relations who is designated in this act. Anyone who has read the act and followed the debate to this time would know that it really is a wage restraint bill. Surely it should be the Minister of Labour who would be the minister responsible for administering this act.

We in this party are extremely concerned that it is not a bill that controls prices and authorizes the Minister of Consumer and Commercial Relations to have a fair prices commission, in which there would be meaningful action to control administered prices. That simply is not the case. We tried to change the bill to a fair prices bill. We tried to change the name of it. We know we are not going to be successful in that.

If it is not going to be a bill to deal with prices, if it is not going to be a bill to deal with consumer matters, then by what logic should the Minister of Consumer and Commercial Relations be the minister who is administering this legislation?

We should name the bill for what it is: a wage restraint bill for civil servants. It is nothing else. Therefore, it should be the Minister of Labour who is named in this bill, not the Minister of Consumer and Commercial Relations.

3:50 p.m.

The committee divided on whether clause 1(b) should stand as part of the bill, which was agreed to on the following vote:

Ayes 87; nays 22.

Mr. Chairman: Is there any other section any other member would like to speak to?

Mr. Renwick: Mr. Chairman, I would like to speak briefly to clause 1(c) of the bill, regulations. The definition says, "Regulations' means the regulations made under this act." It is a fairly innocuous definition until one makes a study of the bill; then you find, of course, that it is a perversion of the term. It is a term that should not be used in this bill in the first place, and that is the first argument I want to make to the government.

This is a bill under which the administration should not have any power to alter the precise

terms of the bill to expand its meaning or to extend its definitions in any way by arbitrary decision of the executive power of the government. If the government believes that this bill is as important as it has told us it is, then this is one bill where there should be no provision for the exercise of the regulatory power.

My friend from Burlington South (Mr. Kerr) will recall Lord Hewart's book called *The New Despotism*, and he will understand what Lord Hewart meant when he talked about the new despotism: a legislative body such as this on important occasions delegating authority under statutes back to the government that introduced the bill in order that they can make up for what they forgot to do in the first place. That is all it is about.

For us now, after having objected to the bill in principle and substantially in clause-by-clause, to be asked to delegate back to the very executive who should not have brought in this monstrous bill the power to exercise some power speaks against what this party stands for.

Some people say, "Oh well, in this day and age we always put in a definition of 'regulations.'" Well, there are many occasions in this Legislature when we have objected to the use of the wide power of delegated regulatory legislation. This is one case where the principle of nondelegation of authority should be upheld by this assembly, and I appeal to the members of the government side of the House to support that position.

When one examines what the bill then says about regulations, where do you find the regulations? Where do you find the detailed, abrupt, complete schedule of what the bill is about? You find it under part II of the bill. That is the only real place where the regulatory power is to be used.

Let me just point out the contrast between part III, which talks about administered prices, and part II, which talks about the breaking of the contracts of the employees in the public sector, and members will see what I mean.

The only use of the regulatory power referred to in part III under administered prices is contained in section 32: "The Lieutenant Governor in Council may make regulations further defining the terms 'public agency' and 'public regulatory agency.'" Those are the nebulous groups of organizations for which the so-called Minister of Consumer and Commercial Relations is in some way going to administer prices.

How does that operate, by the way? It might be useful for the assembly to be told, because I

am quite certain that since last September a number of members of the government party who undoubtedly studied the bill in depth at that time may have forgotten some of the details of the bill.

What is the administered prices process we are provided with? First, the minister establishes economic criteria by which price increases shall be reviewed. There is not a single word about publication by way of regulation of those criteria. There is not even a suggestion that they could be called guidelines and be published in any way.

The Minister of Consumer and Commercial Relations will be establishing economic criteria by which price increases shall be reviewed. We will never see them. They will never be made available. They certainly will not be made available by right. Even with that minister, I would not want to trust the principle of noblesse oblige that somehow or other he is going to provide them to us out of the goodness of his heart.

Then what can he do with it? He then can go through various stages. He can refer any price increase of a public agency or public regulatory agency to the board for investigation. Then what does the board do? It investigates and reports to the minister. Then what does the minister do? He reviews the report. Having reviewed the report, what does he do? He refers it to the executive council of the province, to the Lieutenant Governor in Council, which then may make an order if it so wishes.

It will be a long time in the course of that process before we see an order of this government with respect to any of the so-called administered prices, but the House will understand that in the whole of that process there is not a single mention of the exercise of a regulatory power. There is no obligation on the minister at any time to publish anything by way of regulation, let alone guideline or criteria.

The only part of part III that refers to regulation is that if they want to make some minute change in the definition of public agency or public regulatory agency they will do it by regulation. Contrast that with what the powers of regulation are under part II.

Part II is a detailed, carefully thought out prescriptive list of the persons who are going to be subject to this draconian law in order that the employers can break the contracts for wages they have entered into. It is very carefully framed. There are no several stages to that process. It is set out in the statute. What do we

then find? We find a very broad and precise regulatory power included in the bill, even though the statute itself is very broad and precise, as I will come back to in a moment.

In section 25, under part II of the bill, what is the power of regulation we are supposed to grant to the executive council? What does it provide? It provides that they may make regulations "designating any compensation plan or class thereof to which this part applies and the date as of which this part shall be applicable thereto, and where necessary, prescribing the manner in which this part shall be applied."

If one looks back in the bill, they made a desperate effort to specify the very matters about which they are now going to say, "We may have missed something and we may have to exercise that power." Then it goes on to say they may make regulations, "terminating in whole or in part the application of this part in respect of a compensation plan or compensation plans to which this part applies."

In case the members may have forgotten what a compensation plan is, it is any method by which compensation is established and includes the provisions contained in collective agreements or established bilaterally between an employer and an employee—he is called an administrator, but he is an employer—unilaterally by an employer or by or pursuant to any act of the Legislature.

4 p.m.

So they want to make certain, if they have forgotten something or have inadvertently not included somebody they should have included, they want us to give them the power to alter this bill. They tell us the bill is going to be in existence for only a short period of time. Why in heaven's name would they want to have that power? They had the whole paraphernalia of government to draw up the provisions of this bill. They drew upon all that talent, so why are they now pretending they need to have or should be exercising a further power? Why can they not play the whole thing up front? That has been our basic criticism throughout, that there is a great deal of euphemism about this bill, a great deal of pretence that it is not what it is supposed to be.

One of the places where that concern of ours about the bill applies specifically is under the term "regulations." I do not want to go on at any great length, but I do want to go on to the next part of the regulatory power, clause 25(1)(c), "Where it is considered necessary for the restraint of the public sector expenditure, adding to or

deleting from the schedule any person or any class of persons or any agency, authority, board, commission, corporation or organization of any kind." I would invite any member of the government to look at the schedule, because it may be the one and only time that most members of the government party will have looked at the schedule.

The schedule is extremely lengthy, extremely detailed, extremely comprehensive. It took an awful lot of care and attention. It lists many items on pages 21 to 25 of the bill. The schedule consists of those organizations that are deemed by this bill to be part of the public sector of Ontario and therefore subject to these rules. Why should we give them the power to add to that list? Why should we give them that authority? That is the major authority.

Listen to this. The Ministry of Citizenship and Culture has three areas; the Ministry of Community and Social Services has items 1(a) to 1(v) and 2 to 5, that is, some 26 specific categories of organizations under the Ministry of Community and Social Services that someone has meticulously prepared. They are not specific, but they are classes of organizations that this government is saying are under the public sector; for example, "workshops under the Vocational Rehabilitation Services Act," and "services purchased or funded under the Homemakers and Nurses Services Act;" or, as Mr. Micawber would say in Dickens, item: "satellite homes operating or funded under the Homes for the Aged and Rest Homes Act;" item: "support services to the physically handicapped, purchased by the Ministry of Community and Social Services under the Ministry of Community and Social Services Act;" item: "work activity projects under the General Welfare Assistance Act."

The list goes on and on, in lengthy and specific and meticulous detail, to itemize in the schedule all the instrumentalities of government that are going to be subjected by this government to this bill. Then they have the conceit, the gall and the arrogance to come before us and to ask us to grant them additional regulatory powers, where they are considered necessary for the restraint of the public sector expenditure, to add or delete anybody on the schedule.

The schedule continues with the Ministry of Correctional Services and four specific types of organizations that are covered. Under the Ministry of Health we again have a long list, itemized from (a) to (j).

Number 2 simply refers to the Ministry of Health Act, but in number 3 they get very specific: "Booth Avenue Hospital Laundry Inc., Centennial Hospital Linen Services, Kawartha Hospital Linen Services, Mohawk Hospital Linen Services Ltd., Nipissing Area Joint Hospitals Laundry Inc."

If ever there were organizations which have brought about the economic catastrophe in this country that this bill is supposed to be directed to, it is those who do the laundry in the hospitals in the province, and it is those people who have the honour of being included in this category of lists.

It is the same with number 9, the Hospital Medical Records Institute. If ever there was a grasping group of people, it is the people who keep the medical records in the hospitals. They are constantly causing inflationary spirals in this community and in this society which are so atrocious there should have been a bill directed entirely against them. The employees of the Hospital Medical Records Institute spend all their time, not keeping records, but destroying the economy of the province; they are at it all the time, the minister knows that.

The Ministry of Industry and Trade, Ministry of Municipal Affairs and Housing, Ministry of Natural Resources, Ministry of Tourism and Recreation, and the Ministry of Treasury and Economics, all are listed. Because the bill is directed against public sector employees the government, with great care, specificity and clarity, has spelled out in the bill exactly who is to be covered. Then they have the nerve to tell us that we have to give them further regulatory power.

They may also not have defined "compensation" sufficiently broadly to have picked up everything which is included in the term "compensation" so they want a regulatory power to extend the definition of "compensation" despite the fact that they defined it in the bill to mean "all forms of payments, benefits and perquisites paid or provided, directly or indirectly, to or for the benefit of a person who performs duties and functions that entitle that person to be paid a fixed or ascertainable amount."

But the government wants us to give it a further regulatory power because it may not have got the definition quite right. It is that kind of abominable nonsense that we object to in the use of the regulatory power in this bill. It says that the government may, by regulation, define "any word or expression not already expressly

defined in this act." How ridiculous can the government get?

In a bill which talks about control of wages in the public sector by permitting employers to break contracts in the public sector, the government is very specific, detailed and very careful. It asks us to grant it wide regulatory power.

When it talks about administered prices and when it defines public agencies and public regulatory agencies, the bodies which perhaps will have their prices administered under a long-drawn-out process to be supervised by the Minister of Consumer and Commercial Relations, do we find a schedule of these public agencies? Do we find a schedule of these public regulatory agencies? Do we find attached to the schedule of this bill, under administered prices, a long list of the names of the agencies, boards and commissions which have finally been compiled in a document so that we can see up front in the legislation and in the bill whether or not their prices are to be administered?

Can a member of the public find that? No; a member of the public cannot find that. We may be fortunate enough to have a copy of a document listing the agencies, boards and commissions of government but nowhere else will it be found, so that the government can very carefully say to everybody: "Oh well, that is not a public agency or a public regulatory agency. If it is, we do not choose to regulate or administer their prices."

Not only does the minister not provide a schedule setting out what those agencies are, he asks us in a toss-away clause of section 32 of the bill to say he can further define the term "public agency" or "public regulatory agency" when he has done a poor job of defining it in the first place.

4:10 p.m.

There are many people who think the whole story of regulatory and delegated legislation is old and ancient history and that modern bodies such as this, which have abdicated most of their authority in the parliamentary system, should just go along and give the government any regulatory power it wants.

This party will not and it will oppose this section of the bill. This party thinks it is wrong for the specificity to be directed against only the organizations of the public sector employees and not to be used at all with respect to the areas covered by the so-called administered prices plan of the government. We ask all the members

to join with us in defeating this section of the bill.

Mr. Wrye: Mr. Chairman, I will be brief. I listened carefully to the comments of my friend the member for Riverdale (Mr. Renwick) and, as they pertain to this section of the bill, I must with respect disagree with him. Our party will support this section of the bill.

I say that notwithstanding the fact, and I thank the member for drawing it to my attention, that subsection 25(1) in particular, and some of the subsections in that area of defining where regulations might go, should give us great cause for concern that the Treasurer and the government have not been entirely up-front with us.

We support this subsection with the concern we have with this bill, which we expressed in committee, that it would have been useful to us in committee and in the House if the Treasurer were to have tabled a draft of the regulations so we might have seen that the job the government intends to do in this area is not something that circumvents to some extent the will of the Legislature.

I am reminded the bill was introduced almost three months ago. One might have thought that by now the Treasurer and the government might have a fairly substantial list of regulations. In spite of that—

Mr. Cooke: You support the regulations.

Mr. Wrye: My friend the member for Windsor-Riverside says, "You support the regulations." All I am supporting is the definition of the word "regulations."

I simply want to indicate that since we remain on the definition section, we will support this definition as to nothing being out of order in terms of definitions and I hope the House will get on to the substantive matters we wish to bring to its attention later in the bill.

4:23 p.m.

The committee divided on whether clause 1(c) should stand as part of the bill, which was agreed to on the following vote:

Ayes 89; nays 22.

The Deputy Chairman: Shall clause 1(d) stand as part of the bill?

Mr. Cooke: Mr. Chairman, we will be opposing this section of the bill. I gather the member for High Park-Swansea (Mr. Shymko) and the member for Brantford (Mr. Gillies) will also be opposing it.

We are opposing this section of the bill

because we believe it continues the fraud and misleading nature of this bill. If this bill was to be honest with the people of Ontario and with the members of the Legislature it would not be the Treasurer who was carrying this bill through the Legislature, it would be the Minister of Labour (Mr. Ramsay).

If this bill was supposed to be carried by the Treasurer it would not be a wage control bill, it would be a bill which deals with the economic problems that exist in this province. That is not a wage problem, that is a problem of structural difficulties within the economy. They involve ownership, the lack of research and development and the high penetration of imports in the manufacturing sector. The Treasurer should have brought in a bill, an industrial strategy, a statement and a new budget that dealt with those problems in the food processing sector, the auto sector and natural resources.

Therefore, we cannot participate in this fraud by voting for this section. We believe that all members of the Legislature should oppose it and that the Treasurer should not be the individual carrying this bill. In fact, I believe the Treasurer is mentioned only one other time in this bill and that is at the end, where he has permission to bring in an annual report.

There is significant logic to opposing this section of the bill.

Mr. Wrye: Mr. Chairman, our party will support this section, but I suppose we are not surprised that our friends on the left, the New Democratic Party, would oppose—I want to put this on the record—the section that says, “‘Treasurer’ means the Treasurer of Ontario and Minister of Economics.” It seems logical to me. It seems straightforward and clear, and that is probably why the NDP are going to oppose it.

Mr. Wildman: Mr. Chairman, the previous speaker said he was not surprised that his friends on the left would be opposed to this. We on the left are not surprised that our friends on the right are in favour of it.

The reason we are concerned about this is the fact that it appears that the Treasurer has, in some way, forced this on the rest of the cabinet and that he seems to have supplanted the Minister of Labour as the minister who is responsible for dealing with collective bargaining in this province.

It is most unfortunate, in our view, that the Minister of Labour has been somehow shut out of the whole debate on this legislation in the last two to three months. The minister, for some reason, did not participate in the debate on

second reading. He did not come before the committee, although it was offered that the Deputy Minister of Labour would appear before the committee. For some reason, the government was opposed to the Minister of Labour appearing before the committee.

In our view, this is simply a bill to restrain the wages of public sector employees. It should be called the wage expropriation bill, and with that kind of legislation which deals with the fundamental right to collective bargaining in this province it should be the Minister of Labour rather than the Treasurer who is given the responsibility to administer the act.

For that reason we are opposed to this section and will be opposed to all sections of this legislation.

Hon. F. S. Miller: Mr. Chairman, a good deal has been made in the committee, and it has been referred to again by this member, about the Minister of Labour not coming before the committee when they tried to make him come. They tried to get several other ministers to come. The point is, and they know this, that the minister responsible for a bill is always the minister who appears before committee on clause-by-clause. That is parliamentary procedure. They are attempting, through repetition of an erroneous fact, to make it seem logical. It is not.

4:30 p.m.

Mr. Foulds: Mr. Chairman, I am glad the Treasurer saw fit to participate in the debate. But the fact is, for whatever reason, he saw fit not to be before the committee for many of its sittings and instead designated his parliamentary assistant to be there in his place.

If this is the major economic piece of legislation the government is bringing in this session—and we have seen nothing else—surely the Treasurer, if he feels he is the person who should be before the committee in clause-by-clause, should have been there while the standing committee was sitting outside the House.

There are a couple of points I would like to make with regard to the definition of “Treasurer.”

First, the bill does nothing in the whole field of economics dealing with the minister’s responsibility there. I do not want to spend an extended amount of time in the debate on this clause, but I point out this bill was introduced on September 21. Just in northern Ontario alone, the unemployment rate has skyrocketed, the economic situation has deteriorated and the introduction of this bill did nothing to re-establish

confidence in the economy in that part of the province.

Second, no substantial job creation program has been developed. The minister, if he is a minister of economics, has totally failed in his responsibilities both to that section of the province and with regard to this bill.

Thunder Bay, for example, was swimming along more or less happily with an unemployment rate of a mere eight per cent in these tough economic times. I happen to think a mere eight per cent is very serious but this government does not. It considers that to be below the national average and therefore not worthy of its consideration or viewing. Since this bill was introduced, the unemployment rate in Thunder Bay has doubled. In the last month it has gone from eight to 16 per cent and this Minister of Treasury and Economics has done nothing.

It is patent nonsense for the Treasurer to say the Minister of Labour should not be responsible for the bill. We know the Minister of Labour is not responsible for the bill. When he was asked by myself during question period in the early stages of debate on this bill if he felt the wages the bill was restraining and the powers it was cutting away from the Labour Relations Act were justified, he burst out, "What had I to do with it?" He had nothing to do with it. We agree.

That just pinpoints one of the reasons we are voting against this section. It is because it shows this government is increasingly arrogant and secretive. It brings in major programs without consulting the whole cabinet or the whole government, only a few selected ministers the Premier (Mr. Davis) decides to take into his confidence.

This legislation which has a detrimental effect on the lives of many people in the public sector is brought in and the Treasurer has no compunction whatsoever about it being unfair. He has said so in this House.

Therefore, we will vote against this clause.

Hon. F. S. Miller: I have remained tranquil through most of this, but I would like to rebut a couple of points and I would like to point one out.

I was in the committee for most of the sessions when the public was there. I think I missed one or two evening sessions when my parliamentary assistant was there. I would gladly have been there had they not been putting forward motions to wind the clock entirely instead of dealing with the issues before the committee. I would gladly have been there had there been a useful use of that time, but all they

did with absolute determination was slow down the process.

That brings me to the second point. There is a socialist government in the province to the east which in two days last week had to pass legislation cutting salaries 18.5 per cent, not to limit increases in salaries to five per cent. This was because they had got carried away in their early times with some of the socialist beliefs the members opposite repeat.

Interjections.

The Deputy Chairman: Order.

Hon. F. S. Miller: They did not have any democratic process, they had two days.

The Deputy Chairman: Does any other honourable member wish to participate in this debate?

4:40 p.m.

The committee divided on whether clause 1(d) should stand as part of the bill, which was agreed to on the following vote:

Ayes 87; nays 21.

The Deputy Chairman: May I suggest to all honourable members that should it be the unanimous wish of the House it could do anything, and if it were the desire of all parties we could have the votes stacked.

Some hon. members: No.

The Deputy Chairman: No. In that case we proceed.

On section 2:

Mr. Cooke: Mr. Chairman, I might just make the point that we went through a number of weeks of committee where we kept getting the line from the chairman about mandatory instructions, a motion that had been passed in the House. The motion that was passed in this House calls for 10-minute divisions, and we will have 10-minute divisions because of the motion prepared by the government and passed by the government.

The arguments have already been made on the establishment of the Inflation Restraint Board; they were made on clause 1(a). We will be opposing subsection 2(1). The arguments have already been made why we are opposing the Inflation Restraint Board; that is, that the name of the board itself is a fraud.

4:58 p.m.

The committee divided on whether subsection 2(1) should stand as part of the bill, which was agreed to on the following vote:

Ayes 92; nays 22.

Mr. Chairman: Shall the remaining subsections of section 2 carry? No? There are many subsections of section 2 to carry.

Mr. Mackenzie: Mr. Chairman, section 2 says, "The board shall consist of not fewer than three members who shall be appointed by the Lieutenant Governor in Council to hold office for a term to be determined by the Lieutenant Governor in Council." Is it three? Is it more than three? Can the Treasurer give us some idea of who the board members are, and can he tell us how much they are to be paid?

Hon. F. S. Miller: Mr. Chairman, did the member ask who the board members are?

Mr. McKenzie: Is it limited to three? If so, who are they? If it is more, can the minister tell us that? And what are they being paid?

Hon. F. S. Miller: It is not limited to three; and they are not chosen, with the exception of the chairman.

Mr. Swart: Mr. Chairman, the minister obviously will have given some thought to this. I wish to know what the composition of the board will be. Will there be representatives from various sections of the community, particularly from the labour section? Will he give a commitment that there will be at least one or two labour people on this board?

Hon. F. S. Miller: Mr. Chairman, I personally will not be choosing the board, but I would be delighted to have a representative of labour on it. I have listened to all the comments made by the members opposite about the board, and I assumed they would not recommend putting one of the labour unions members on it.

Mr. Laughren: Mr. Chairman, I wonder if the Treasurer could get serious for a moment.

Hon. F. S. Miller: I was serious.

Mr. Laughren: He does not sound as if he is being serious. We are trying to find out from him just who is going to be on this board, how many people are going to be on it, what the selection process will be and what the members are going to be paid. Surely, since he thought this bill was going to be law within two or three weeks of having introduced it back in September, by now he will have picked out the members of the board and decided how much he is going to pay them. Can we have some straight answers, please?

Hon. F. S. Miller: Mr. Chairman, I cannot answer the questions. I am sure there is a per diem set for the chairman. There are rules set by Management Board of Cabinet for the remuneration of members of committees. I assume

that we will be following the normal rules of Management Board for such committees, that the members will fall into one of the categories and the per diem will be set.

I do not have the number. Three may be all that are chosen. We would be delighted to have a member of labour. I was serious. I just assumed, since the members opposite say the bill is absolutely not supportable, that they would not want one of their members to be on it.

Mr. Laughren: The minister understands very clearly what we think of this bill. We also understand that, with the support of the Liberal Party, it is going to become law in Ontario. That is why we want more information on this board. Can the Treasurer remind us—I have forgotten—how much the chairman is going to be paid on this board?

Hon. F. S. Miller: The member was not listening carefully. I said it has been set, but I do not know. I can find out during the course of this time.

Mr. Foulds: Mr. Chairman, the point made by my colleague the member for Riverdale was a good one. On a previous clause we had some pique and some anger, if I may say so, on the part of the Treasurer, because we felt clause 1(d) should not be part of the bill. The Treasurer responded that the bill is always carried by the person who sits in clause-by-clause in committee. That is fine.

We now have the Treasurer here. We are in clause-by-clause. We are asking legitimate questions about the composition of the board, the amounts of per diem and the makeup, and the Treasurer is unable to answer those questions. What the heck is going on? The government members are not prepared to deal with the piece of legislation they have had ready for clause-by-clause for several months. It is an absolute travesty, Mr. Chairman, and my colleagues and I in this party really want the answers to the questions we have asked.

Hon. F. S. Miller: Mr. Chairman, with great respect, the bill has not become law; therefore, the members will not be appointed except for the chairman, who is in an acting position until then. Once we do have the bill passed, I am sure the member will find the recommendations are made to cabinet forthwith.

Mr. Foulds: Before my colleagues jump in, I want to make a point. This government has been acting since September 21 as if it were law when it comes to the wages of the people in the

public sector. The ministries have been sending out letters to people in the public sector, saying they are not getting their merit increases because of this legislation. All of that kind of thing has happened. The government has slowed down on arbitration procedures and so on, but it is not willing to tell us who it has decided is going to be on this board once this damned bill is passed in one or two days.

What is the big rush for the bill if the government does not know who is going to be on the board? What is the big rush for the bill if the government is not going to have the central mechanism in place and ready to operate? It is the arrogance of the government, displayed by the Treasurer in response to questions by my colleagues, that angers people in our party so much about this arrogant legislation that is arrogant in principle.

Mr. Mackenzie: Mr. Chairman, I have to make a point. I think it is a valid one. When we made legitimate arguments about who should be answering for this bill, whether it was the Chairman of the Management Board of Cabinet (Mr. McCague), the Minister of Labour, the Minister of Health (Mr. Grossman) or the Minister of Education (Miss Stephenson)—I do not think we used the Minister of Health—time and time again over weeks in that committee, the member for Mississauga North (Mr. Jones) kept telling us that the question should be directed to the Treasurer and, when we were in clause-by-clause, he would give us the answer.

I do not know how many times it is on record that we could ask him the questions. Now we are being stonewalled again by the Treasurer on a legitimate question. The whole darned thing is a farce.

Mr. Swart: Mr. Chairman, we know very well that the members on the other side are willing to give a blank cheque to the government on this bill. We know that not even the back-benchers over there will get up to ask who is going to be on this Inflation Restraint Board.

We know very well that members of that party are not going to vote against the government, but these questions ought to be answered in the interest of democracy. The people in this province want to know. We have a right to ask these questions, and the government has a responsibility to answer them.

My colleague the member for Hamilton East (Mr. Mackenzie) is saying they are just stonewalling this. The people over there applaud, but they are not asking these important ques-

tions about a bill they are going to support. They should be ashamed of themselves.

Mr. Cooke: Mr. Chairman, I want to ask the Treasurer one question. Shortly after this legislation was introduced and the announcement of Mr. Biddell as chairman of the Inflation Restraint Board was made, there were many press articles that indicated he was going to be paid \$70,000 per year. I would assume that the Treasurer, if he did not know the figure, would have made an inquiry to the Management Board or whoever he says is responsible for the setting of this rate and would have that figure in his mind. What is Mr. Biddell going to get paid as chairman of the Inflation Restraint Board?

Hon. F. S. Miller: Mr. Chairman, I said I would answer as soon as I had the answer.

Mr. Cooke: When that press article appeared in the *Globe and Mail*, did the Treasurer not even bother to check it out? He should come clean with us. I cannot believe he is so silly that he would not even bother to check that out himself as Treasurer.

Mr. R. F. Johnston: Mr. Chairman, the minister has staff under the gallery. Normally, during second reading debate, little notes are passed across to ministers giving them the information. Surely somebody has the information on what Mr. Biddell is being paid. Surely they know that. I think it is coming to the minister right now. Perhaps if I wait, he will have the exact figure. Maybe he can tell us what benefits Mr. Biddell gets as well. Does he have it?

Hon. F. S. Miller: Mr. Chairman, I think I answered the question. I still do not have a per diem rate. I am going to get that for them once I have it. On an annual basis, it would be in the range of a deputy minister, \$65,000 to \$70,000.

5:10 p.m.

Mr. R. F. Johnston: Since the minister knows what the approximate income of the chairman is going to be, I presume he can tell us what the approximate income of the other members on the board would be. I presume that can be passed as well from underneath the gallery at this point? Is that not an easy figure for him to come up with at this point?

It is the minister's plan, under this closure motion he brought forward, to have this proclaimed on Wednesday night so that it can be in effect by Thursday. Yet he cannot tell us today who the other people are whose appointment he will be recommending to the Lieutenant Governor. He cannot even tell us what range of pay they will be receiving and that obviously he has

been talking to these people about. This is ridiculous.

If the Treasurer already knows what Biddell will be receiving, which is approximately that of a deputy minister, surely he can tell us whether these other people are going to get what an assistant deputy minister is making. Surely he can tell us that and how many there are, when he will be proposing their names to the Lieutenant Governor in just two days. This is ridiculous.

Hon. F. S. Miller: When we get down to subsection 5, we will be on remuneration.

Mr. Laughren: Mr. Chairman, I can understand why the Treasurer would make the assumption that members of his party, the back-benchers in the Conservative Party in this province, would not ask these questions or trust him to provide the answers to these questions. What bothers me is the incredible arrogance of the Treasurer to think that any opposition party could vote for a section like this one without having answers to these questions.

Does he realize the insult he is heaping upon the Liberal opposition in this province by making that assumption? He is just assuming that the Liberals do not need to know any answers, that they have all the answers they need to know and that they will support the government's bill regardless of what it contains, regardless of what the government will be paying the chairman, regardless of who the members of the board are and regardless of the term of office of these people.

I am not insulted myself, but if I were a back-bencher on the Conservative side, I would say: "What is it that the Treasurer expects of us? To be like trained seals back here and accept whatever he lays before us?" Mind you, if I were a Liberal member of the Ontario Legislature, I would start to question some of these clauses if for no other reason than to make sure the Treasurer understands that he cannot treat the opposition with such contempt in this Legislature.

Mr. Foulds: Mr. Chairman, I have just one question for the Treasurer. Perhaps he could tell us why the term could not be spelled out in the legislation and why the term of the members is to be determined by the Lieutenant Governor in Council. Maybe he could also answer questions about whether the board is going to have three permanent members, whether they are to be part-time members or how that board is going to be structured.

Hon. F. S. Miller: Mr. Chairman, the term obviously may need to be a little longer than the

term of the bill, since I would assume there would be some matters that would not be totally resolved at the end of the time of the bill, when it closes automatically at the end of a year.

Three members may be all that are needed. I suggest we do not want too many. There is the right to put some members of the public service on the board. I will not know whether that will be done until such time as the recommendations to the Lieutenant Governor are put forward.

Mr. Laughren: Mr. Chairman, may I ask one final question? Since the Treasurer will not give us the names of these people, I wonder whether he could show us their pictures. Perhaps he could get Camp Associates to forward their pictures to us.

Mr. Jones: Mr. Chairman, on a point of personal privilege: The member for Hamilton East (Mr. Mackenzie)—as did the member for Windsor-Riverside (Mr. Cooke) later on—levelled some comments, an allegation if you will, that in my role of parliamentary assistant during the committee stage, I somehow or other had left questions unanswered or had made a commitment—I believe the member said "time and time again"—as to some specific detail that I undertook to get on behalf of the Treasurer or on my own part.

I know of no outstanding question on which I gave such an undertaking in that committee; so I would ask the member either to withdraw it or to repeat it again, because certainly—

Interjections.

Mr. Chairman: Order.

Mr. Jones: The thing is, they frittered all that time away. Now they come in here in a big rush wanting all kinds of questions they had ample opportunity to ask over in—

Mr. Chairman: Speaking of frittering the time away, let's take the vote on subsection 2(2).

5:25 p.m.

The committee divided on whether subsection 2(2) should stand as part of the bill, which was agreed to on the following vote:

Ayes 94; nays 21.

Mr. Chairman: Moving right along to subsection 2(3).

Mr. Mackenzie: Mr. Chairman, I would ask the Treasurer, once again, if he can now tell us, if he has had the message passed to him, who the vice-chairman of the board will be, and if he has any further information on what we will be paying the vice-chairman of the board?

[Applause]

Hon. F. S. Miller: It is nice to see that one member of the NDP did not want to vote with his party. Nice to see it—

Interjections.

Mr. Cooke: Mr. Chairman, I couldn't hear what the Treasurer said because of the noise. Could he repeat it?

Hon. F. S. Miller: Right from the very beginning, verbatim: a) I was delighted to see that the member for Etobicoke (Mr. Philip) had the courage not to vote with his party; that was the first part; b) the members have not been chosen; and c) subsection 2(5) deals with remuneration.

The Deputy Chairman: Does any other honourable member wish to participate?

Mr. Bradley: Could the Treasurer tell the House what criteria will be used in the choosing of the members of the board and in the choosing of the vice-chairman? What criteria for serving has been established?

Hon. F. S. Miller: I would say our government has a record of choosing people with competence, geographic balance, sexual variations—

Mr. Conway: Take in the chamber of commerce.

Hon. F. S. Miller: Obviously we will also try to have some variation in their approach to philosophy.

5:40 p.m.

The committee divided on whether subsection 2(3) should stand as part of the bill, which was agreed to on the following vote:

Ayes 90; nays 22.

The Deputy Chairman: Shall subsection 2(4) stand as part of the bill?

Mr. Mackenzie: Mr. Chairman, I would like to ask a question of the Treasurer and remind him of his own remarks just a matter of moments ago when he said that in taking a look at the composition of the board he was trying to cover various opinions—male, female, different sections of the province—yet here in this section we are going to give one person, any one person on the board, the authority to make a decision. This simply means that you are going to have decisions all over the field, depending on the various views of some of the members of the board on certain situations, and I would like to know why—

Interjections.

The Deputy Chairman: Order, please. The

member for Hamilton East has the floor and it is difficult to hear him.

Mr. Mackenzie: I would like to know why we are giving such authority and allowing only one person to make a decision. There may be some very important matters raised with the board, when we are going to have a variety of views and opinions on that board. As I say, you could have different decisions on the same issue if we allow it to come from one person.

Hon. F. S. Miller: Mr. Chairman, I would suggest that if there are only three members—and there may need to be more if the work load is heavy—one would find that they would each take certain specific tasks to examine, but the fact that one member may be authorized in effect to make a decision, in my opinion, would not in any way cut down on the ability of members to compare notes, decide what is reasonable and use their time more effectively.

5:53 p.m.

The committee divided on whether subsection 2(4) should stand as part of the bill, which was agreed to on the following vote:

Ayes 65; nays 46.

The Deputy Chairman: Shall subsection 2(5) stand as part of the bill?

Mr. Cooke: Mr. Chairman, this will take only a second. I would ask the Treasurer once more if he can give us any information as to how much the chairman and the other members of this board are going to be paid? Has he been able to get that information for us now?

Hon. F. S. Miller: Mr. Chairman, Management Board of Cabinet has, as I mentioned earlier, a schedule of payments. It is my understanding that a member of a senior board of this nature would be paid about \$125 a day. I can only say that the members have not been chosen, nor has the amount been set. Once the bill has been passed, both of those decisions will be made. That is the ball park.

Mr. Foulds: Mr. Chairman, will that be presented in the Legislature for our information when the decision is made? Will there be an announcement?

Hon. F. S. Miller: We do not have secrets.

The committee divided on whether subsection 2(5) should stand as part of the bill, which was agreed to on the following vote:

Ayes 62; nays 44.

The House recessed at 5:58 p.m.

ERRATA

No.	Page	Column	Line	Should read:
163	5804	2	28	level of knowledge and the access to informa-
165	5861	1	33	The fact is we are talking about the same

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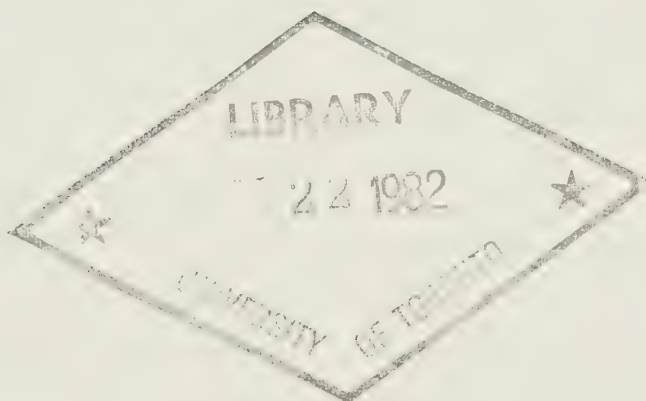
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No. 172

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament
Monday, December 13, 1982
Evening Sitting

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Monday, December 13, 1982

The House resumed at 8 p.m.

House in committee of the whole.

INFLATION RESTRAINT ACT (concluded)

Resuming consideration of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

On section 2:

The Deputy Chairman: We have completed subsection 2(5) and are proceeding to subsection 2(6).

Mr. McClellan: Mr. Chairman, I wonder whether the Treasurer anticipates firing any of the members of the commission before the expiration of their terms. Why is this provision in the bill? Is he really that shaky?

Hon. F. S. Miller: Mr. Chairman, is the honourable member from the New Democratic Party suggesting that if we appointed a member to anything, anywhere, any time, this government should not have the right to appraise his performance and decide whether that person should remain a member?

Mr. McClellan: Now that the Treasurer has had the benefit of the supper hour, can he tell us who the members of the board will be?

Hon. F. S. Miller: Unlike the members opposite, outside of choosing the chairman, we felt we should await the passage of the bill before choosing the members.

Mr. Cooke: Mr. Chairman, if the Treasurer cannot tell us the rest of the members because he wanted the bill to be passed, why did he announce the chairman? Why is he so selective in his announcements?

Mr. Gordon: Because you have to have a leader before you can have followers.

Mr. Laughren: That is a corny line if I ever heard one.

Interjections.

The Deputy Chairman: Order. I remind all honourable members that we are in the midst of discussing an important bill.

Hon. F. S. Miller: If the member for Windsor-

Riverside (Mr. Cooke) sat back and thought about our choice of chairman, he would not assume we made the choice on the basis of political bias.

Mr. Swart: Mr. Chairman, I find it rather difficult to believe that at this time, just two days from this bill becoming law, the Treasurer has not decided who the appointees are going to be. Even if he has not made the final decision, he is obviously considering the names of certain people. Perhaps the Treasurer might be willing to tell us whose names are in the hat at this time and who he is considering.

Hon. F. S. Miller: Mr. Chairman, the only two names in the hat right now are Swart and Lewis.

8:15 p.m.

The committee divided on whether subsection 2(6) should stand as part of the bill, which was agreed to on the following vote.

Ayes 87; nays 21.

On section 3:

The Deputy Chairman: Hon. F. S. Miller moves that subsection 3(1) of the bill be deleted and the following substituted therefor:

"The board may make rules for the conduct and management of its affairs and for the practice and procedure to be observed in matters coming before it and may require that any person seeking a determination by the board of any matter shall give written notice in such form and manner as the board specifies to such others as the board specifies."

Hon. F. S. Miller: Mr. Chairman, the amendment simply clarifies that the board itself can make rules setting its own practice and procedure. This amendment permits the board to require a party making an application to the board to give notice to the other side.

Mr. Wrye: Mr. Chairman, the amendment the government has offered does meet, in a very small way, an objection that was raised before our committee. The Treasurer has made the change providing that both sides must be notified if one side objects. The Treasurer points out that in the past the side being objected to, the other party in the objection, did not even need to be notified that an objection had been

filed. However, we are not prepared to support this amendment.

We will be offering an amendment to subsection 3(4) which will take all the may's, if's, but's and maybes out of the hands of the board and force the board to follow the Statutory Powers Procedures Act. We will not be supporting this amendment.

8:20 p.m.

Mr. Renwick: Mr. Chairman, I do not think I quite understand what the Treasurer has to say about his amendment. It is an obvious amendment that had to be made. A corporate lawyer drafted the bill, and subsection 3(1) said, "The board may make bylaws regulating its proceedings and generally for the conduct and management of the affairs of the board." They got their corporate world mixed up with their personal world. That is the language you will find in corporate law. You can look it up in the Business Corporations Act. So they come before the assembly now to give us some suggestion that they are going to correct it because the board is not a corporation. The Tory government always gets mixed up that way. If they have any language that really will fit something, if they can find it in the corporate world they will use it.

Undoubtedly some other lawyer who was more interested in individual persons was concerned with this amendment. The Treasurer comes before us to make this amendment without any explanation other than to suggest again in some pseudo-hypocritical way that this rectifies in some way the malicious nature of the whole of section 3 of the bill. But it does not, because it says "may" in the first place.

There is no reason for them to make any rules to arrange their affairs unless they wish to. There is no provision for publication of those rules. There is no provision which says other than the fact that a person making an application to the board must also give notice to somebody else. There is nothing to indicate any fairness will ever take place before that board. There is nothing to protect that degree of basic and fundamental fairness which is necessary.

We will not accept some minor amendment by the minister in a misguided way to improve an otherwise totally flawed bill. I can assure you, Mr. Chairman, we will vote against it. Since it is a government amendment, they may want a 30-minute bell on this one, but we will stick to the rules, 10 minutes.

Mr. Cassidy: Mr. Chairman, I do not want to

speak very long to this, but I want to raise a point with the minister which underlines the unfairness of the whole section 3 and of the whole bill.

Under the amendment that has been put forward here, the board is given powers to require that any person seeking a determination of any matter before the board shall give written notice in such form and manner as the board specifies and to such others as the board specifies.

What that means is it is now open to the board—it probably was open to them before, but it certainly is open to the board now—to say, "The form and manner we specify is that if you want to complain about something before the board, you have to give reasons for making those complaints." It might even go further and say you have got to give reasons why you object to a judgement of the board when nobody will know why because reasons are not to be required from the board.

It seems to me to be grossly one-sided, as this whole bill is grossly one-sided, that the board now is being given power to require that anybody who wishes to launch an appeal or to come before it on any matter has got to give reasons for coming before it when the government quite specifically and explicitly exempts the board from having to give reasons for any of the arbitrary and unfair decisions it is going to give.

8:34 p.m.

The committee divided on Mr. F. S. Miller's motion, which was agreed to on the following vote:

Ayes, 63; nays, 46.

8:46 p.m.

The committee divided on whether subsection 3(1), as amended, should stand as part of the bill, which was agreed to on the following vote:

Ayes 63; nays 48.

Mr. Mackenzie: Mr. Chairman, I have another question of the Treasurer. This section gives the board considerable latitude in being able to call upon the services and staff of the various ministries. I would like the Treasurer to tell this House if he has done any kind of assessment of the services and staff of the various ministries that would have to be seconded from time to time and, in particular, how many staff of the Ministry of Labour will be tied up in the operation of this wage control bill and in the disruption it is almost certain to cause in collective bargaining in Ontario, certainly in the arbitration and mediation fields.

Can the Treasurer tell us what plans have

been discussed and what consultation has gone on with the Minister of Labour (Mr. Ramsay) as to what kind of numbers may be involved in his or in other ministries' staff in the operation of this bill?

Hon. F. S. Miller: Mr. Chairman, as I have said to this House before, as a member of a labour family I am glad I did not grow up with the suspicions—

Mr. Foulds: On a point of order, Mr. Chairman: We cannot hear the Treasurer.

Hon. F. S. Miller: I could not hear him, either. You guys talk like a bunch of jackals.

Mr. Chairman: Avoid the interjections and speak to the bill.

Hon. F. S. Miller: I am glad that when I grew up in a family of labour people I did not grow up with the suspicion of the process that my colleague the member for Hamilton East did.

I do not have a preconceived plan. The section says that the the board can, as it needs to, call upon the expertise of government. It will. That does not mean we have quantified people. We have a whole battery of ministries and individuals who, as the need arises, will offer their services free to the board.

8:50 p.m.

Mr. Mackenzie: I heard what the minister said. What I am asking him is what kind of discussions went on with the Minister of Labour over the problems that this bill may create? Surely there were some discussions, because you are taking a step here that really is going to have repercussions in terms of collective bargaining in Ontario. Now surely you or your people must have sat down and talked to the Minister of Labour. We were not able to get any answers in committee. I would simply like to know what kind of consultations went on with the Minister of Labour over the possible ramifications of this legislation.

Mr. R. F. Johnston: Mr. Chairman, the record will show that the Treasurer did not respond, so I presume it means there was no consultation.

I do not know if it will be possible to redirect, but I wonder if the Minister of Labour would give us some indication of how many people on his staff or in the ministry he thinks will have to be seconded to this board, if the minister be willing to stand up in his place in this debate or if the Treasurer would allow it to be redirected to the Minister of Labour.

Mr. Wildman: Any member of the House can participate in committee debate.

Mr. R. F. Johnston: The Treasurer was standing in his place. I would be interested to hear if he would be willing to redirect this to the Minister of Labour for his opinion or whether he has an opinion on it.

Mr. Chairman: The member for Hamilton East—sorry, the Treasurer.

Hon. F. S. Miller: Yes, Mr. Chairman, I am on your right-hand side; some speakers are. It is traditional in this House, and the member knows it, for the minister responsible to answer on clause-by-clause. I shall, when the need arises, and I can simply say that this bill was completely and totally discussed within cabinet and bears the stamp and approval of cabinet, including the Minister of Labour.

Mr. Foulds: That being the case, Mr. Chairman, then the Treasurer should surely be able to answer the question that was just put by my colleague the member for Hamilton East, which he declined to answer a few moments ago. We would appreciate the answer.

Mr. Chairman: I cannot force the Treasurer to answer with the appropriate response you would like.

Mr. Mackenzie: Mr. Chairman, I think this is important. We have now had the same kind of absolute stonewalling we had in the committee. The Treasurer will not answer the question of what might be needed in terms of the services of the Ministry of Labour. Surely the Minister of Labour then has a responsibility to give some indication in this debate as to what he foresees as the problems with this particular legislation.

Mr. Renwick: Mr. Chairman, since the Treasurer will not answer that, could we have an assurance from the Treasurer, as the minister in charge of the bill, that he will not in any way subvert the Ontario Labour Relations Board of any of its staff in the services of this restraint board?

Hon. F. S. Miller: Mr. Chairman, it has not been my nature to subvert anybody.

Mr. Renwick: Could I rephrase the question so I will not offend the Treasurer's susceptibilities? Will you leave the Ontario Labour Relations Board alone and not have any of that board or members of its staff or those engaged in the day-to-day work of the collective bargaining process in this province called in aid of this particular board?

Mr. Wildman: He has no answer.

Mr. Foulds: Mr. Chairman, a few moments ago the Treasurer indicated there had been full

and total discussion of the legislation in cabinet. Now that the legislation is before us, surely the Treasurer can give us the reasons why the cabinet felt it necessary to bring in this particular clause and what boards, commissions, agencies and ministries the cabinet and he felt it would be necessary to have give their services to the Inflation Restraint Board. Surely that is not too difficult a question for the Treasurer. In other words, which ministries, which boards, which agencies and which commissions do you feel the Inflation Restraint Board is going to have to second personnel from?

Hon. F. S. Miller: Mr. Chairman, I have no idea. I can only say that as people are needed, or advice is needed, the full gamut and range of government services are available.

Mr. Foulds: How in blazes can the man who is responsible for this legislation, who takes unto himself and solely unto himself the responsibility for answering in committee of the whole any questions on clause-by-clause, come before this House and ask us to pass a clause on which, when we ask legitimate questions, he says, "I have no idea"? Does the government have no idea of the implications of this clause? Does the government have no idea of the people it will need to second?

They have no idea, as my colleague the member for Hamilton East and my colleague the member for Riverdale (Mr. Renwick) have pointed out many times, whether or not they will be subverting the integrity of personnel in the Ministry of Labour, particularly the Ontario Labour Relations Board, who, if seconded under this draconian clause, may destroy their credibility with the people they have to deal with in the future after this bill is sunsetted?

The Treasurer sits there as unconcerned as if he did not care and he does not care. He obviously does not care what this clause does to personnel in the civil service. He does not care what it does to personnel in the Ministry of Labour. I ask how he can express the approval of the Legislature for this kind of clause when he has that kind of uncaring and arrogant attitude?

Hon. F. S. Miller: Mr. Chairman, I get a little tired of the attempt by my friends in the third party to assume that they have a monopoly on caring for the average worker. I have much more concern, and realistic concern, for them than they have. They are so tied up with their socialistic ideals they have no idea of what really works in society.

Mr. Mackenzie: There is absolutely no one involved in labour relations or industrial relations—I am talking about the management side of it as well in this province—who does not realize and does not know that this bill is going to have serious ramifications for the trade union movement.

I would ask, if we can get no answers from the Treasurer other than the claptrap we have heard, whether or not the Minister of Labour has been deliberately muzzled in this House?

Mr. Cassidy: Mr. Chairman, I think this is extremely serious. I will talk tomorrow in the next stage of the bill about the process we have gone through, but I would like to ask the Treasurer a question which I think is very important, particularly in the light of what happened to Donald MacAlpine, the forester in northern Ontario who is now being hounded by the government simply because he spoke the truth.

There are officials within the Ministry of Labour's Ontario Labour Relations Board who are committed to the cause of labour relations in Ontario, are committed to trying to ensure status for the labour movement, for working people in this province. That is part of their career, part of their job. In fact, that is in the preamble to the Labour Relations Act.

If individuals who hold those views are asked to come to work for this particular body and they refuse because of the principles to which they are committed, is the Treasurer going to hound them the way Mr. MacAlpine has been hounded by the Ministry of Natural Resources, or will the government give an undertaking here that they will not force anybody to work for them where it is against their conscience to do so?

Hon. F. S. Miller: I would like to think that in a democratic society we all have that right. You have the right to quit your job and leave if you do not like the rules.

Mr. Cassidy: Quit your job.

Hon. F. S. Miller: Just sit down, it is my turn.

Mr. Mackenzie: You are a disgrace.

Hon. F. S. Miller: My friend, I am not a disgrace. You guys over there impose more of a muzzle the way you react. You are like a bunch of monkeys. You all stand up and vote the same way all the time. You have absolutely no right of individual expression.

Mr. McClellan: On a point of privilege, Mr.

Chairman, you will instruct the Treasurer to withdraw that statement, sir.

Mr. Mackenzie: It's an absolute disgrace.

Hon. F. S. Miller: No, I will not.

Mr. McClellan: Sir, I request that you ask the Treasurer to withdraw that statement.

9 p.m.

Mr. Chairman: Mr. Treasurer, in the fullness of debate, I would ask you, in terms of parliamentary language, not to insult members of the assembly.

Mr. R. F. Johnston: Monkeys are in order and donkeys are not. Is that the game?

Hon. F. S. Miller: I will not say they are monkeys but according to the spirit of evolution, they probably preceded me.

Mr. Laughren: You are a class act.

Mr. McClellan: Show a bit of dignity.

Mr. Cooke: Mr. Chairman, on a point of order: I ask you to instruct the Treasurer to withdraw. Last week one of the Liberal members used a term in the Legislature, was ruled out of order and was thrown out of the Legislature.

Hon. F. S. Miller: To the Speaker.

Hon. Miss Stephenson: It was to the Speaker.

Mr. Cooke: The Speaker happens to be a member of the assembly.

Either the Treasurer withdraws it, or he withdraws himself.

Mr. Chairman: Under the circumstances I think he made his point. He said he will not use that term in reference to yourselves.

Mr. McClellan: Mr. Chairman, we are asking you—

Ms. Copps: As the princess of innuendo, I am saying to you, don't be so "holier than thou."

Interjections.

Mr. McClellan: Mr. Chairman, the remark made by the Treasurer was unparliamentary. We are asking you to instruct the Treasurer to withdraw the statement.

Hon. F. S. Miller: Mr. Chairman, those guys call me all kinds of names every day of the week and never expect me to bat an eye. The moment I say something they do not like, they stand up on a point of privilege.

Mr. Chairman: I cannot kick you out of the House. Mr. Treasurer, under the circumstances—

Mr. Laughren: Withdraw, withdraw.

Hon. F. S. Miller: I withdraw.

Mr. Chairman: All right, he has just acknowl-

edged; he has withdrawn. He has just withdrawn it. Continuing with subsection 3(2).

Mr. McClellan: I am sorry, Mr. Chairman, on this side we do not call people personal names.

Hon. Mr. Pope: What nerve.

Hon. Miss Stephenson: What hypocrites.

Mr. Chairman: Order. Order.

Interjections.

Mr. McClellan: Well, we do not.

Mr. Chairman: Order. He has withdrawn it. He has acknowledged the withdrawal. Continuing with the section.

Interjections.

Mr. Chairman: You are out of order. He has withdrawn it. We all acknowledge in the Legislature that he withdrew. Continuing on with subsection 3(2).

Mr. Cassidy: Mr. Chairman, if I could get the Treasurer to clarify: Before his intervention, I heard him say something regarding a person who had worked for the labour movement for many years and then gone to do public service with the Ministry of Labour or the Ontario Labour Relations Board. He said if that person is asked to come to work for the Inflation Restraint Board according to the powers under this section, and refuses because of fundamental beliefs, the only recourse that person has is to quit the job with the public service. Is that what the Treasurer is saying?

Hon. F. S. Miller: Mr. Chairman, my friend likes to draw every comment to extremes. I pointed out—

Mr. Cassidy: That is exactly what you said.

Hon. Miss Stephenson: It is not what he said.

Hon. F. S. Miller: No, I do not think I said that.

Mr. Cassidy: Yes, you did.

Hon. Mr. Miller: Most of us who work for an employer have a requirement to offer advice to that employer, to our superior. Often, I offer advice to my Premier (Mr. Davis) that is not accepted. I have an option, once that advice is accepted or not accepted, whether I can live with the conditions of the decision or not. It is as simple as that. That is all I am saying.

9:15 p.m.

The committee divided on whether subsection 3(2) shall stand as part of the bill which was agreed to on the following vote:

Ayes 88; nays 22.

Mr. Nixon: Mr. Chairman, on a point of order, I am very glad the Treasurer withdrew his reference to all of the NDP as monkeys, but I think you should know that Erskine May on page 434 has an exhaustive list of animal references that are not permitted. I thought perhaps I should bring them to your attention. You may not call another member a dog, a jackass, a jackass behaving like a pup, cheeky, young, puppy, impertinent, rat or swine.

Mr. Chairman: Order. I would also like to point out to the member who so kindly pointed those phrases out to us that the chair has discretion if, in the chair's estimation, language is used in such a manner as to cause grave misconduct. In my estimation the Treasurer's comment was of such a nature that it incited the House. Carrying on to subsection 3(3).

Mr. Martel: Mr. Chairman, would you include in that list the word "donkey" for which the member for Grey-Bruce (Mr. Sargent) was thrown out just last Thursday.

Mr. R. F. Johnston: Mr. Chairman, the NDP caucus has exactly the same problem with subsection 3(3) as it did with subsection 3(2). That is, members of the public service who ironically may be affected by this bill, who may have had their contracts broken by this bill, can be seconded to work for this board or commission; and by the Treasurer's outright statement earlier they could lose their jobs if they refused to do so.

We find that is totally outrageous and totally unacceptable. They should have the right to say they will not participate on a board which is constraining their civil rights. Unless the minister wishes to clarify that—to say they will not have to do that—this caucus will continue to oppose this section.

Hon. F. S. Miller: I have always assumed that amongst the staff of any ministry I have been in there are people of a number of political persuasions. In Ontario, ever since the last Liberal regime, we have made a habit of hiring people without political bias. I point out to you that many of them have personal convictions. They offer that advice to us, but one of the great securities of the civil service is you are not persecuted for your political beliefs. Therefore, you do not have to be of any one political persuasion to have your job. This means, however, that you must, after a reasonable argument, follow the general instructions of the government of the day no matter what its belief—whether it is your belief, their belief or

our belief. That is one of the challenges facing all of us.

9:30 p.m.

The committee divided on whether subsection 3(3) should stand as part of the bill, which was agreed to on the following vote:

Ayes 87; nays 22.

Mr. Chairman: Hon. F. S. Miller moves that subsection 3(4) of the bill be amended (a) by deleting "a" in the second and fourth lines and by inserting in lieu thereof in each instance the words "an oral"; and (b) by inserting "oral" before "hearing" in the eighth line.

Hon. F. S. Miller: Mr. Chairman, I will quickly say to those of you, such as yourself, who are lawyers, that in describing or explaining the government amendment here, we are dealing with the area of natural justice, which the Liberals were also concerned with.

As a nonlawyer, I am not particularly able to debate the point clearly, except to say that the change to this section will make clear that the board is not required to hold an oral hearing, but by implication it will be required to receive written representations before making a decision. In this regard, it will be subject to the common-law rules of natural justice and will avoid the implication of the present subsection that the board may decide a matter without considering submissions from the parties.

Mr. Wrye: Mr. Chairman, to be brief, our party will oppose this amendment and is in opposition to subsection 3(4), not only as it was written before but also even with the amendment. At the appropriate time, we will be proposing our own amendment for consideration by the House. We believe this amendment does not go nearly far enough. By proposing our own amendment, which we hope individual members of the Conservative caucus will support, we hope to allow some justice and some equity to be written into this legislation before the guillotine comes down some 55 minutes from now.

Mr. Rae: Mr. Chairman, for the Treasurer to suggest by introducing the trivial amendment he has introduced that he is somehow providing for natural justice with respect to the conduct of the board is, I believe, to perpetrate a very serious misrepresentation before the House.

One does not have to be a lawyer to understand the meaning of natural justice, and the Treasurer should know perfectly well that there are a great many elements involved in that term, in that concept and in that idea, well beyond the

notion that people can put in a written advice to the board, with the board then being able to say that constitutes a hearing.

That does not constitute a hearing, that does not constitute the basic elements of natural justice which we have been arguing about, which my friend the member for Riverdale spoke about on second reading and which we have been putting before the House both at committee stage, at second reading stage and now again today.

It is truly pathetic to see the government set up an administrative tribunal that has none of the elements of natural justice, none of the elements of due process which, surely to goodness in 1982 in Ontario, are fundamental and basic to what it means to be a citizen of this province and what it means to be a government of this province. The government should be ashamed of introducing the kind of amendments it is introducing to this section.

Mr. Renwick: Mr. Chairman, I have a brief comment. What the Treasurer has done is to preclude further the exercise of the rights under the Statutory Powers Procedure Act. That is what he has provided by proposing this amendment that the hearings wherever referred to in this section are oral hearings. It makes, if anything, the exclusion of the Statutory Powers Procedure Act more effective than it was without the amendment. It has not assisted; it has done exactly the reverse.

One does not particularly need to be a lawyer to understand that the hearings contemplated under the Statutory Powers Procedure Act are oral hearings. What this amendment does is make it abundantly clear that the discretion vested in the board is that it need not hold that kind of hearing. It is to make it perfectly clear that there will be no oral hearings, because the amendment would mean that subsection 3(4) in its entirety, if this amendment is carried, will read as follows:

"The board may, in its discretion where it considers it desirable to do so, hold an oral hearing and where the board does so, the Statutory Powers Procedure Act applies, except that, whether or not the board holds an oral hearing, the board is not required to give reasons for any final order, decision or determination made by it, but notwithstanding the Statutory Powers Procedure Act or any other rule of law, the board is not required to hold an oral hearing before making any order, decision or determination that it is authorized to make."

Instead of bringing into play some of the

elements of natural justice, as we thought the government might be moved to do, it is made more exclusively clear that there is no obligation of any kind upon this board to adhere to even the minor, minimum rules of natural justice.

9:50 pm.

The committee divided on Mr. F. S. Miller's amendment to subsection 3(4), which was agreed to on the following vote:

Ayes 64; nays 45.

Hon. F. S. Miller: Mr. Chairman, looking at the clock and knowing the motions before us, I wonder if I could ask for the unanimous consent of the parties to move to subsection 8(2).

Mr. Wildman: No.

Hon. F. S. Miller: Just let me explain for a second. Recognizing that we will not get there fast enough, we have a particular case in Etobicoke where public health nurses signed a contract on the day that we read this bill for the first time, and I wanted to propose an amendment that would honour that contract. If we do not get to that subsection tonight, we will not be able to honour that contract. No matter what other part we do not get to, I would like to have honoured that contract.

The Deputy Chairman: Is there unanimous agreement to proceed to section 8?

Mr. Wrye: Mr. Chairman, keeping in mind that we have an amendment to propose which would do just that to subsection 8(2), we have no disagreement in allowing the bill to move to section 8.

Mr. Mackenzie: We have no objection to the arrangement.

On section 8:

The Deputy Chairman: Hon. F. S. Miller moves that subsection 8(2) be amended by striking out "21st" in the fourth line and inserting in lieu thereof "22nd."

Motion agreed to.

On section 3:

The Deputy Chairman: Mr. Wrye moves that subsection 3(4) of the bill, as amended, be struck out and the following substituted therefor:

"(4) Before making an order, decision or determination that the board is authorized to make, the board shall hold a hearing and the Statutory Powers Procedure Act applies to such a hearing.

"(5) Upon the petition of any interested person filed with the clerk of the executive

council within 30 days after the date of any order, decision or determination of the board, the Lieutenant Governor in Council may,

“(a) confirm, vary or rescind the whole or any part of the order, decision or determination, or

“(b) require the board to hold a new public hearing into the whole or any part of the matter in respect of which the order, decision or determination of the board was made, and the decision of the board after the public hearing ordered under clause (b) is not subject to petition under this subsection.

“(6) Any person who has filed a petition under subsection (5) may at any time withdraw the petition by filing a notice of withdrawal with the clerk of the executive council;

“And that subsections (3), (5) and (6) as printed be renumbered accordingly.”

Mr. Wrye: Mr. Chairman, I know the hour is late, and it is a delight to get to the second of our amendments, having got to the first just a minute ago.

This is, in the view of our party, a very important amendment and one which we hope individual members of the government caucus will support. We also hope that the members of the New Democratic Party, who have said throughout these days and weeks that there was no amendment that could improve this legislation, will also support it and will recognize that our amendment, if it carries, will make a great improvement.

I believe the reason it would be an improvement is obvious. In asking for this tremendous sacrifice of the public sector in bringing in this legislation—

Mr. Laughren: It doesn't seem to bother you that much. Does it really bother you? Do you really see it as a big sacrifice?

The Deputy Chairman: Order.

Mr. Wrye: —it seems to me the government has an obligation to at least ensure that due process is put in place so that those who believe they have been treated in an unjust manner will be able to go to the board, will be heard by the board at a hearing and when the board makes its determination on the matter, that it shall be telling both sides not only the determination it has made but also the reasons for the determination.

The other subsection, number 5, which we have added, allows for a petition to the Lieutenant Governor in Council, allows an appeal, because our party believes that the right of appeal to cabinet of any decision of the board is

an absolutely critical one. We do not believe the board ought to be the final arbiter of these matters.

There remains the possibility that the board, in its wisdom, could make a wrong determination and that indeed it does not treat one side or the other in a just manner. We simply believe there ought to be an opportunity for those interested to file a petition and to have the cabinet review any order of the board before that matter is dealt with in a final manner.

We believe this is one of the very important amendments to the bill and we hope others will be placed in the next few minutes. With that in mind, I will let my colleagues speak on this matter.

Mr. Renwick: Mr. Chairman, I rise on behalf of our caucus to support the amendment put forward by the member for Windsor-Sandwich (Mr. Wrye). Over the course of time in the debate, at great length on this bill, we have tried to emphasize that even this government should not violate the principles of natural justice. Certainly it should not violate them in the way this bill violates them and, in accordance with tradition that is about 10 years old in this assembly now, it should not have gone back upon a whole legislative history of the final development of procedural rules in this assembly which would protect the very basic and fundamental right.

I attempted earlier in the debate in this House to state very clearly and in very simple terms the basic and fundamental right. It was stated in a case that I need not make a reference to, and it does not matter what kind of a board it is, I simply quote, “In such cases the board of education will have to ascertain the law and also to ascertain the facts and I need not add that in doing either they must act in good faith and fairly listen to both sides, for that is a duty lying upon everyone who decides anything.”

I am indebted to the leader of this party for bringing to my attention a rather picturesque statement of that particular right contained in Wade's Administrative Law, fourth edition, which the House may find of interest. It is stated in this book to be a nice example of the old conception of natural justice as divine and eternal law. Mr. Justice Fortescue, deciding a case with respect to a scholar at the University of Cambridge who had been deprived of his degrees, described the principles of natural justice in this way:

“I remember to have heard it observed by a very learned man that upon such an occasion

even God himself did not pass sentence upon Adam before he was called upon to make his defence. 'Adam,' says God, 'where art thou? Hast thou not eaten of the tree whereof I commanded thee that thou shouldst not eat?' " The same question, of course, was put to Eve.

10 p.m.

They say the tradition is that ancient, and what the government is doing in this bill, if it does not accept this amendment, is denying for all time the history and the tradition of this assembly. It will mean that whenever the government of the day wishes to do so, it can set aside the principles that were developed through the McRuer commission inquiry into civil rights in the province. It will set aside the bills that were enacted in the assembly 10 years ago. Almost 10 years ago now, the Statutory Powers Procedure Act was brought into force in the province.

I need not elaborate upon the particular provisions of natural justice. It is sufficient to say they cover the whole gamut of all the matters we consider to be essential for the protection of individual rights, particularly as they relate to contractual rights and as they relate to the intrusion of government upon those contractual rights.

The act sets out very clearly the kinds of minimum procedural requirements or minimum rules that are prescribed: parties to a proceeding in which the hearing is to be held, the procedure before hearing, a notice of hearing, contents and form of notice of hearing, service of notice of hearing, impartiality of members of the tribunal, information to be furnished to the parties before a hearing, procedure at a hearing, oral hearing, order of proceeding of hearing, nonappearance of party, hearing in public, counsel for parties at hearing, rights of parties at hearing, power of tribunal to summon witnesses, protection of witnesses at hearings, evidence at hearings, adjournments, recording of evidence, maintenance of order, power to prevent abuse, making the decision, legal grounds upon which a decision is based, decision in writing, reasons for the decision, notice of the decision, record of proceeding, and so on.

There are very elaborate rules. They were developed by this assembly. They were developed by the government under the McRuer commission on civil rights. Here we have this bill in which the government does not even have the grace to admit those minimum rules. I am pleased we are supporting the amendment that is before us. I hope that before the guillotine

descends upon this bill the government will see fit to permit this amendment to pass.

Hon. F. S. Miller: Mr. Chairman, we will not be able to accept this amendment. The reason is that there is no appeal right now from arbitration awards or decisions of administrative tribunals like the Ontario Labour Relations Board. This board's decisions will be of the same character. Like the labour relations board, the Inflation Restraint Board may reconsider, revoke or amend any decision it makes. In most cases, the parties will be bound by the board's decisions for only one year, and after that the normal dispute resolution process will resume.

Mr. Bradley: Mr. Chairman, speaking briefly to the amendment, I am extremely disappointed that the Treasurer has indicated his own opposition to this amendment, because it is an extremely good amendment that really addresses something that consistently came before the committee in the public hearings. Members who had the opportunity to sit in from time to time, and members who received representations in written form from the various groups who appeared before the committee, consistently found that these groups had asked for some kind of appeal process, for the opportunity to have a hearing, for the opportunity to have reasons enunciated for the decisions made by the Inflation Restraint Board and for the right of appeal from any decision by the cabinet.

Many people expressed various concerns about the bill. Some placed more emphasis in one area than in others. Many, particularly those most vehemently opposed to the bill, said the only solution was for the government to withdraw the bill from consideration in the House. They were adamant about that. They were very careful to indicate to members of the committee, and to all members of the House through written representations, that an area that particularly irked them was the lack of opportunity for a hearing of some kind.

Even the federal Anti-Inflation Board, which was set up in 1975, provided for a hearing process for appeals to that board. If there were groups that thought they were hard done by because of a board ruling, they had an opportunity to appeal, to bring further evidence before the court, so that the board would be able to determine if it had considered all the relevant facts and if it had erred in its decision.

It seems to me there should be that right for the groups, whether it be the groups who are involved in the education process, as I am involved in terms of my role as opposition critic

in the field of education, or others involved in the public service or who come under the jurisdiction of this bill. Since this is, in essence, only temporary legislation, we feel appeals should be allowed. I suppose it is unfair to compare it, as the Treasurer has, with other more permanent tribunals. When people have decisions rendered, they like to know the reasons for those decisions. For a board simply to be able to make a ruling without providing the various reasons for the ruling is surely unfair to the group that is being directly affected by that ruling.

In this era, when we are looking towards more freedom of information—indeed we have a minister in the government, the Provincial Secretary for Justice (Mr. Sterling), whose responsibility it is to eventually carry that bill when it comes before the House, and some considerable work was done previously by the member for Cochrane South (Mr. Pope), who enunciated certain policies in that regard—surely, in keeping with that thrust, the government should be prepared to entertain favourably an amendment of this kind. I am certain there are members of the government caucus, if not the Treasurer himself, who, having listened to those who made representations and taking into consideration their own views in terms of the process, would want to ensure there was a chance for appeal.

We also have a circumstance, as a result of an early provision in the bill, where there is only one person out of the three on the Inflation Restraint Board who can investigate and render a decision. That one individual does not require his or her decision to be ratified by the entire Inflation Restraint Board. For that reason, it militates even further in favour of an appeal, at which time all members of the board would have a chance to deal with a decision that was appealed, a decision that was made by one member of the board alone.

Once the board has made a decision, and the board is all powerful according to this legislation, our view is that, first, it should allow for a hearing, and second, it should have to state very clearly, preferably in writing, the reasons for the decision rendered. We also feel that if that decision is not acceptable to those being directly affected, there should be the right of appeal to the cabinet from a decision of the board.

As everyone is aware, there are appeal provisions in the municipal circumstances, if we think of the Ontario Municipal Board, for instance. After a city council or regional council has

made a decision, for example, there is a mechanism for an appeal to the OMB. Subsequent to that, if the OMB makes a decision, often that decision stands. But if there are circumstances which could be looked upon favourably by the cabinet, which is the ultimate decision maker in this province, there are those who are inclined to take the option of making an appeal to the cabinet and allowing the cabinet the opportunity to rule on it.

10:10 p.m.

Our amendment would allow for an appeal to the cabinet of any decision of the Inflation Restraint Board. Therefore, if the Inflation Restraint Board had not taken into consideration all the arguments made, or if the groups directly affected had some new evidence to introduce that had not been taken into consideration by that one member—in theory—of the Inflation Restraint Board, then the cabinet, after evaluating the presentation made in the form of an appeal, would have the opportunity to render an opinion.

I would think government members would again show the same spirit of co-operation and goodwill which was just expressed in going to section 8 and agreeing to an amendment which we, in the official opposition, had indicated we were going to put and which the Treasurer kindly incorporated in this legislation as an amendment of his own. Surely the government members, especially at this time of year, will be in a co-operative mood and would want to ensure that one of the most objectionable parts of this bill—and there are many parts which are objectionable to those who have made presentations—lies in this section. It permits neither a hearing nor written reasons to be put forward for the decisions made nor does it permit an appeal to be made in regard to this section.

It would seem to me even those who are adamantly opposed to this legislation—and there are many who are going to be opposed to many other aspects of it—at least would have one portion to cling to, one avenue of appeal. While finding many other areas to be objectionable they would still be able to come to the Inflation Restraint Board.

I think, for instance, of the public health nurses in Niagara who would be able to come to the Inflation Restraint Board for a hearing. The Treasurer is aware they have made this request in good faith to him, through me and through others, to have the opportunity to be heard before the Inflation Restraint Board. Their

particular circumstances surely are unique in Ontario. They are a group which has been on strike since May 1982 and whose contract had expired in the middle of February. We are not talking about a militant group. In fact we are talking about a group which was prepared to accept binding arbitration as a resolution of its problem as opposed to going on strike.

Allowing this amendment to the bill would give them an avenue to present their case through a hearing. When the board should render a decision, they would know why the decision was made one way or the other; and if they were dissatisfied with that decision they would be in a position at that time to appeal to the cabinet.

A number of people in the cabinet would be aware of the special circumstances that exist for these people, and perhaps some who would listen to other members of the governing party who had been in the committee when that presentation was made on that Wednesday. Others from the Niagara Peninsula—two government members in particular: the member for Lincoln (Mr. Andrewes) and the member for Brock (Mr. Welch)—are very familiar with the circumstances faced by these people.

If an adverse decision were rendered by the board, with the reasons given in writing, those members would want an opportunity for this group and any others who might find themselves in similar circumstances to make a presentation to the cabinet. The cabinet, in its wisdom, knowing those special circumstances and discussing them with the Minister of Labour (Mr. Ramsay), who is familiar with the circumstances, with the Minister of Health (Mr. Grossman) and perhaps having the input of others who appeared before the committee in addition to the group directly affected, would then have the opportunity to seek some form of justice under a bill which they would object to in many parts.

So I make the appeal to the members of the government, despite the fact the Treasurer has indicated his opposition to the—

Mr. Renwick: On a point of order, Mr. Chairman: The witching hour is just about upon us. I want to understand what will now happen. I take it that unless there is a vote now held on the amendment that has been proposed by the member for Windsor-Sandwich, if 10:15 arrives there will be no vote on this amendment. Am I correct in that?

If I am correct that no vote on this amendment can be held if 10:15 arrives, could I ask

that the question be now put by moving the previous question?

Mr. Sweeney: The question shall be now put.

Mr. Chairman: Right. All those in favour of the question please say "aye."

All those opposed please say "nay."

In my opinion the nays have it.

An hon. member: You're deaf.

Mr. Chairman: It's your amendment.

Interjections.

Mr. Chairman: The question on the amendment can now be put.

All those in favour of the amendment please say "aye."

All those opposed please say "nay."

In my opinion the nays have it.

Interjections.

Mr. Chairman: Order. The bells should not be ringing. I would like to point out to the House at this time that it is my interpretation of the government motion passed on Thursday, December 9, that the chair is obliged now to put all questions necessary to dispose of each section, and at this time I will verbally put all sections.

Mr. Nixon: On a point of order, Mr. Chairman: You have undertaken a rather convoluted procedure in the 30 seconds before 10:15 to bring the amendment before the House. We want to support the amendment; but if you are putting all the other motions together, we will be opposing those because we would not have an opportunity—

Mr. Chairman: Will you be opposing your own amendment?

Mr. Nixon: No.

Mr. Chairman: No. Well, under those circumstances I am going to be obliged to verbally put all sections from subsection 3(4), the amended section, and then the unamended section, at which time, when we have concluded the schedule, the preamble and the bill to be reported, we will have a 10-minute bell to call in all the members and then have standing votes. That is my interpretation.

Mr. Wildman: Are we voting on the amendment or not?

Mr. Chairman: No, because we have reached 10:15 of the clock.

Mr. Sweeney: You put the question before 10:15.

Interjections.

Ms. Copps: On a point of order, Mr. Chair-

man: It was my understanding that the call for the question to be put came before 10:15.

Mr. Chairman: No, it did not.

In an attempt to put all the questions in a logical order, the first thing I am going to have to ask is, all those in favour of the amended section proposed by the member for Windsor-Sandwich please say "aye."

All those opposed please say "nay."

In my opinion the nays have it.

Now we have to do subsection 3(4).

Mr. Wildman: Wait a minute. Hasn't that been defeated, Mr. Chairman?

Mr. Chairman: That has been defeated.

Now we are going to do subsection 3(4), as amended.

On all those subsections remaining in section 3—that is, subsections 3(5) and 3(6)—all those in favour will please say "aye."

All those opposed please say "nay."

In my opinion the ayes have it.

Mr. Chairman: Shall all of sections 4 to 37 carry?

10:20 p.m.

Mr. Cassidy: On a point of order, Mr. Chairman: When we call the bells, is it your intention to have a vote on each section?

Mr. Chairman: A stand-up vote on each section, but only one 10-minute bell.

Mr. Cooke: Including the amendment?

Mr. Chairman: Yes.

10:31 p.m.

The committee divided on Mr. Wrye's amendment to subsection 3(4), which was negatived on the following vote:

Ayes 51; nays 66.

Mr. Chairman: The amendment is lost.

The committee divided on whether section 3, as amended, should stand as part of the bill, which was agreed to on the same vote reversed.

The committee divided on whether section 4 should stand as part of the bill, which was agreed to on the following vote:

Ayes 95; nays 22.

The committee divided on whether section 5 should stand as part of the bill, which was agreed to on the following vote:

Ayes 95; nays 22.

The committee divided on whether section 6 should stand as part of the bill, which was agreed to on the same vote.

The committee divided on whether section 7 should stand as part of the bill, which was agreed to on the same vote.

The committee divided on whether section 8, as amended, should stand as part of the bill, which was agreed to on the same vote.

The committee divided on whether section 9 should stand as part of the bill, which was agreed to on the following vote:

Ayes 66; nays 51.

The committee divided on whether section 10 should stand as part of the bill, which was agreed to on the same vote.

The committee divided on whether section 11 should stand as part of the bill, which was agreed to on the following vote:

Ayes 95; nays 22.

The committee divided on whether section 12 should stand as part of the bill, which was agreed to on the following vote:

Ayes 66; nays 51.

The committee divided on whether section 13 should stand as part of the bill, which was agreed to on the same vote.

The committee divided on whether section 14 should stand as part of the bill, which was agreed to on the same vote.

The committee divided on whether section 15 should stand as part of the bill, which was agreed to on the following vote:

Ayes 95; nays 22.

The committee divided on whether section 16 should stand as part of the bill, which was agreed to on the same vote.

The committee divided on whether section 17 should stand as part of the bill, which was agreed to on the same vote.

10:40 p.m.

The committee divided on whether section 18 should stand as part of the bill, which was agreed to on the same vote.

The committee divided on whether section 19 should stand as part of the bill, which was agreed to on the same vote.

The committee divided on whether section 20 should stand as part of the bill, which was agreed to on the same vote.

Mr. Breaugh: Mr. Chairman, on a point of order: I did hear you call that a vote had been carried but I did not hear you call the numbers and it is apparent on this side that not all members are voting. It seems to me there is a

standing requirement that if members are present in the chamber they must vote.

Mr. Chairman: Order. Thank you.

The committee divided on whether section 21 should stand as part of the bill, which was agreed to on the following vote:

Ayes 95; nays 22.

The committee divided on whether section 22 should stand as part of the bill, which was agreed to on the same vote.

The committee divided on whether section 23 should stand as part of the bill, which was agreed to on the same vote.

The committee divided on whether section 24 should stand as part of the bill, which was agreed to on the same vote.

The committee divided on whether section 25 should stand as part of the bill, which was agreed to on the following vote:

Ayes 66; nays 51.

The committee divided on whether section 26 should stand as part of the bill, which was agreed to on the same vote.

The committee divided on whether section 27 should stand as part of the bill, which was agreed to on the same vote.

The committee divided on whether section 28 should stand as part of the bill, which was agreed to on the following vote:

Ayes 95; nays 22.

The committee divided on whether section 29 should stand as part of the bill, which was agreed to on the same vote.

The committee divided on whether section 30 should stand as part of the bill, which was agreed to on the same vote.

The committee divided on whether section 31 should stand as part of the bill, which was agreed to on the same vote.

The committee divided on whether section 32 should stand as part of the bill, which was agreed to on the same vote.

The committee divided on whether section 33 should stand as part of the bill, which was agreed to on the same vote.

The committee divided on whether section 34 should stand as part of the bill, which was agreed to on the same vote.

The committee divided on whether section 35 should stand as part of the bill, which was agreed to on the same vote.

The committee divided on whether section 36 should stand as part of the bill, which was agreed to on the same vote.

The committee divided on whether section 37 should stand as part of the bill, which was agreed to on the same vote.

The committee divided on whether the schedule should stand as part of the bill, which was agreed to on the following vote:

Ayes 95; nays 22.

The committee divided on whether Bill 179, as amended, should be reported, which was agreed to on the following vote:

Ayes 66; nays 51.

Hon. Mr. Wells moved that the committee of the whole House report one bill with certain amendments.

On motion by Hon. Mr. Wells, the debate was adjourned.

The House adjourned at 10:47 p.m.

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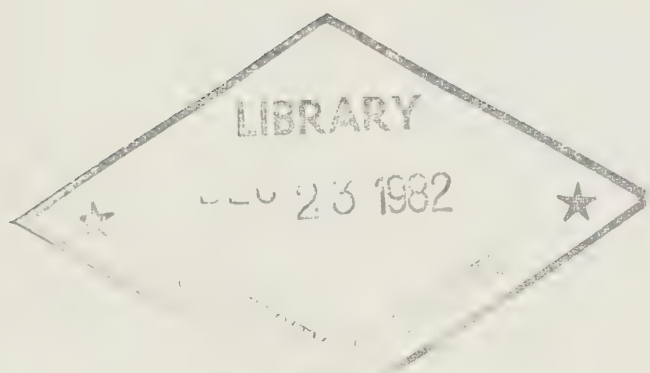
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- Nixon, R. F. (Brant-Oxford-Norfolk L)
- Piché, R. L. (Cochrane North PC)
- Pope, Hon. A. W., Minister of Natural Resources (Cochrane South PC)
- Rae, R. K. (York South NDP)
- Renwick, J. A. (Riverdale NDP)
- Stephenson, Hon. B. M., Minister of Education and Minister of Colleges and Universities (York Mills PC)
- Swart, M. L. (Welland-Thorold NDP)
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No. 173

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament
Tuesday, December 14, 1982
Afternoon Sitting

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Tuesday, December 14, 1982

The House met at 2 p.m.

Prayers.

HUMAN RIGHTS

Mr. Shymko: Mr. Speaker, I want to draw to the attention of all honourable members that today, December 14, marks the 22nd anniversary of the United Nations declaration on the granting of independence to oppressed countries and peoples.

In the light of this province's commitment to human rights and to the plight of oppressed peoples, as exemplified by numerous statements by the Leader of Her Majesty's Opposition (Mr. Peterson), the leader of the third party (Mr. Rae) and by the Premier (Mr. Davis), I would like to state that there is a concern and an appeal from many citizens in this province and in this country that the Premier of Ontario and the Legislative Assembly look at the possibility of proclaiming a Captive Nations Week in Ontario, as the first jurisdiction in this country to do so, to underline our commitment to the principle and spirit of the United Nations declarations and conventions in the light of the leadership we have shown in the past, be it related to Poland, Afghanistan or to other nations.

I would like simply to remind the members of that declaration, which said, "The subjection of peoples to alien subjugation, to domination and to exploitation, constitutes a denial of fundamental human rights and is contrary to the charter of the United Nations." It concludes by saying, "All peoples have the right to self-determination and by virtue of that right, they freely determine their political status and freely pursue their economic, social and cultural development for the promotion of world peace and co-operation."

SUDBURY DIVERSIFICATION

Hon. Mr. Bernier: Mr. Speaker, on a point of personal privilege: I know honourable members will recall that about three years ago, when the government of the day took a very active interest in trying to diversify the economic base of Sudbury, the Premier of this province (Mr. Davis) went to Sudbury and addressed the 2001

Conference. At that time, he made certain predictions and certain commitments to assist that municipality in really diversifying its economic base.

We all recall when 2001 was established, and they made a purchase in Texas of angora goats. There was some comment in this Legislature about what that would do for northern Ontario. I am very pleased and proud to be able to show members today the finished product: mohair, naturally, from northern Ontario.

Next year Sudbury will celebrate its 100th anniversary. A century ago we said, "There's nickel in them thar hills." Now we are saying, "There's wool on them thar hills."

I have order forms here. I know members will want to purchase some for their wives, their girlfriends or themselves. The price is right and it will add to the economic base of Sudbury, because the manufacture of this sweater alone—and it is all done in Sudbury—has already created 19 jobs in one company. It is part of our effort to diversify the economic base of Sudbury, and you ain't seen nothin' yet.

CONSTITUENCY MAILINGS

Mr. Wrye: Mr. Speaker, on a point of privilege: On November 15, all members of the Legislative Assembly received a memorandum from Robert J. Fleming, the director of administration and secretary of the Board of Internal Economy, which contained a reminder of the regulations governing constituency mailings.

As you are well aware, Mr. Speaker, the regulations regarding those mailings say, "It is implicit that the content of these mailings be nonpartisan in nature and be restricted to outlining legislative developments in the House and the committees and the role played by the member in this legislative process."

Mr. Speaker, I have with me and I will send to you the report to Armourdale from the Minister of Citizenship and Culture (Mr. McCaffrey). I want to draw to your attention that at the bottom of the front page of the mailing and on the back page there is the following: "In lieu of greeting cards this year the Armourdale PC Association has made a donation—"

Mr. Speaker: Order, please. That is not really a point of privilege.

Mr. Wrye: Mr. Speaker, as chairman of the Board of Internal Economy—

Mr. Speaker: I would think that if you are looking for some direction, you should refer this matter to the Board of Internal Economy, where it will be dealt with in the proper manner.

Mr. Wrye: You are the chairman, Mr. Speaker. I will send it to you and ask you to raise the matter with the Board of Internal Economy. This is why I bring it to your attention, sir.

An hon. member: It would seem to be the appropriate place.

Mr. Speaker: And others.

MALVERN SOIL CONTAMINATION

Mr. Martel: Mr. Speaker, on a point of order: I have before me in the Toronto Star a statement by the government House leader that Bill 174, the Malvern bill, cannot proceed because of the New Democratic Party tactics. The minister knows that the bill is not on the Order Paper, and he knows full well that he cannot bring that bill back until he finds a place where he is going to deposit that material.

I would ask the minister not to use such cheap tactics in order to try to get a little bit of political mileage because he cannot find a location, as he promised before that bill.

Mr. Speaker: Order.

Hon. Mr. Wells: Mr. Speaker, perhaps I could answer that. I have not seen the story my friend is referring to. It comes as a result of a discussion with a reporter about the scheduling of business in this House, and I think it is no secret that we have not been able to consider a number of bills because of the tactics of the honourable member's party on Bill 179. That is a matter of historical fact.

I am not saying that I am in any sense trying to use this as an excuse for not bringing forward the bill. But, as my friend knows, someone wants a bill on the Waterloo area; we will not be able to consider that, likely; there are about 10 other bills we will not be able to consider. That is a pure and simple interpretation of the time that is available here for discussion in this House.

2:10 p.m.

STATEMENT BY THE MINISTRY

YOUTH EMPLOYMENT

Hon. Mrs. Birch: Mr. Speaker, I am pleased to inform the House that the winter Experience program for 1982-83 has been enriched by an

additional \$1 million, as announced by the Treasurer (Mr. F. S. Miller) on November 22.

This winter Experience program is only one element of the youth employment envelope recommended by the Ontario Manpower Commission to my colleague the Minister of Labour (Mr. Ramsay). The youth envelope this fiscal year includes employment programs totalling \$64.5 million and has created over 80,000 jobs this year alone.

Our \$4.75-million youth Experience initiative this winter is being administered by the Provincial Secretariat for Social Development as a pilot project. It is already helping to reduce unemployment among young people who have left school and are facing special difficulties finding employment. The program is directed at young people who have less than a grade 12 education and those facing special difficulties, such as physical or mental disabilities.

More than 1,200 winter jobs have been created for those needing work experience and job skills. Participants are being paid the provincial minimum wage and will work for periods of between 12 and 20 weeks. The program started early in November and will end March 30, 1983. The extra \$1 million will create an estimated 500 additional jobs.

Our youth employment programs in the past have largely been in the summer; however, over the past few years, statistics show that those young people who have limited skills or who face other barriers to finding a job remain on the unemployment lists year round.

If not given a chance to acquire job skills, this segment of the youth population will always have difficulties in the labour market. The winter Experience program is designed to give this group the experience they need to enter the labour force on a more permanent basis or a chance to return to school. My colleague the member for Brantford (Mr. Gillies), working with the youth secretariat, spearheaded the government's efforts in this regard.

Winter Experience projects involve 16 provincial ministries. The emphasis is on job creation in local communities through municipal governments and other public sector or non-profit organizations as well as job creation in businesses and on farms. We have concentrated on geographic areas of high unemployment and are working with our youth employment counselling centres to ensure that those who would most benefit from the opportunity have a chance to participate.

When the extra money was allocated to us,

there were young people who had already received counselling from the local youth employment counselling centres and were actively looking for jobs. These locally based centres could direct these young people immediately into many of the jobs that were created.

This co-operative effort of community and government working together in Ontario can only lead to a positive and rewarding work experience for our young people and help to alleviate the local unemployment situation.

ORAL QUESTIONS

Mr. Conway: Mr. Speaker, my first question was to have been to the Treasurer, who by our understanding is supposed to be here today. If he is in the precincts somewhere, I wonder if he might appear.

Mr. Martel: Try your second one first.

Mr. Conway: In consideration of the advice tendered by the member for Sudbury East, I will go to my second question first.

DISMISSAL OF CIVIL SERVANT

Mr. Conway: Mr. Speaker, my question is to the first minister. I was particularly struck last Friday by the advice the Premier (Mr. Davis) tendered to me about how the community at large and this Legislature in particular ought not to be discriminatory with respect to an Ontarian who has served the public in various capacities, notwithstanding bad judgement in one case.

Keeping that in mind, I am very interested to know where the Premier stands, as leader of the government, with respect to the transparent discrimination his government is levelling at one Donald MacAlpine who, as other honourable members have drawn out in their questioning of other ministers, particularly the Minister of Natural Resources (Mr. Pope), has done very little wrong; who has, by the determination of the Crown Employees Grievance Settlement Board, acted in good faith and has not violated his oath of office—

Mr. Speaker: Question, please.

Mr. Conway: My question to the first minister is this: How is it that his government, on the one hand, wishes to exonerate Mr. Morley Rosenberg for the reasons he has given, and on the other hand, wishes to persecute in a very public, vigorous way a public servant who appears to have been doing nothing more than his job—and a good job—for forest management in this province and the public at large?

Hon. Mr. Davis: Mr. Speaker, I think the acting leader of the Liberal Party is perhaps oversimplifying the issue. I certainly am not going to make any comments of a derogatory nature with respect to Mr. MacAlpine. I do not know the individual involved. I have no personal knowledge of him or his activities other than through the reports of the minister and the ministry.

I think what the minister has done is to follow the legal process in order to determine whether the grievance settlement board was proper in its judgement. I think that was a judgement call made by the minister on advice from his ministry officials. It is as simple as that.

Mr. Conway: It seems to me nothing could be more simple and straightforward in this matter than that which was set out in the first minister's letter of October 3, 1980, to all his ministers, from which I cite the following:

“Between now and the time when freedom of information legislation is enacted”—and God only knows when that will be—“there is a great deal we can do to give the policy of open government meaning and consistency. A further step that can be taken in this interim period before the act is in place is to encourage open and responsive behaviour among public servants in their daily dealings with the public, particularly including members of the Legislative Assembly and representatives of the news media.”

He sets out seven guidelines, two of which are:

“The basic communications position of the government of Ontario is to be open as opposed to closed in its dealings with the public”—and, most important—“civil servants acting in good faith under these guidelines will not be considered as having violated their oaths of secrecy.”

My supplementary question is: How is it that the Minister of Natural Resources, in this extraordinary action, has not violated those most explicit tenets set out in the Premier's letter of October 3, 1980?

And how is it, sir, that this fine public service that we have—and the Premier, among others, is quick to boast about it—how is it that those people out there, who are trying to do a good job, are going to continue in the face of this kind of extraordinary persecution which must violate the very policy he so eloquently set out not that many months ago?

Hon. Mr. Davis: I am delighted to hear the member refer to my letter as eloquent. I really felt one used that word to describe how one

articulates in the verbal sense, but if it was an eloquent letter, I appreciate his observation.

If memory serves me correctly, I think the Minister of Natural Resources answered that specific question. Perhaps the member was not present when it was answered, but I am sure he would be delighted to reiterate that answer for him. It was relatively simple and understandable.

I think it is fair to state that the government does not accept the term "persecution" used by the member. I do not accept that at all. Apparently, there is a question in terms of the advice from the senior people in the ministry with respect to the law or the policies within the ministry that they feel should be adjudicated. It is a process that has been used before, although not very often, and I think we are fortunate in that respect. But I do not accept that this is a persecution. It is not.

Mr. Rae: Mr. Speaker, perhaps the Premier would agree that at least it has the appearance of being vindictive in the circumstances. I would ask the Premier to bear two things in mind. First of all, that the process of judicial review can only consider errors of law and not any findings of fact that were found by the grievance settlement board; and that if this process of going to a third party called a grievance settlement board is to have any integrity, then surely the government has to follow the findings of fact that were actually made by the grievance settlement board.

Mr. Speaker: Question, please.

2:20 p.m.

Mr. Rae: I would simply ask the Premier to comment on these two findings: first of all, the findings that Mr. MacAlpine at all times acted in complete good faith and that he is, in the judgement and the finding of fact by the grievance settlement board, "a civil servant of integrity"—those are the words of the settlement board; and second, that there was significant fault, not on the part of Mr. MacAlpine but on the part of his superiors, who were found as a matter of fact to have brought undue pressure on him to sign a licence to the Buchanan company.

How can the Premier possibly avoid the conclusion, where no action is being taken against the regional office and all the action is being taken against Mr. MacAlpine, that the government not only does not accept the legal findings of the grievance settlement board but even refuses to respect its job, the findings of fact? How can we avoid that conclusion?

Hon. Mr. Davis: Mr. Speaker, I think the honourable member has perhaps moderated at least his perception compared to that of the honourable member who asked the initial question. I reject, though, the term "vindictive."

I think it is fair to state, and I will not get into any sort of legal discussion with the member, that the decision of the grievance settlement board obviously contains some fact. There is no question that the judicial review cannot deal with "established facts." I think the member also referred to two or three areas that one could in logic describe as being matters of judgement or opinion.

Mr. Rae: They were conclusions of fact based on the evidence.

Mr. Speaker: Order.

Hon. Mr. Davis: I think there is a distinction between the facts that are presented and the judgement one draws or concludes from the facts, and I think if the member looks back over the history of the number of grievances filed before the grievance settlement board and the number that have been accepted without any question by the government—and I think he will find that there is a fairly good record in this regard—surely it establishes that in the view of some ministry officials giving legal advice there is something exceptional or different in these particular circumstances.

I do not think it would be proper for me at this point to comment on the judgement of the grievance settlement board. But please look at the history, look at the number of grievances dealt with and look at the fact that I think the decisions of the grievance settlement board have been accepted by this government almost without exception.

Mr. Conway: Is this not an outrageous public morality, a public morality that will offend everyone from the Sunday school in Brampton to the faculty of forestry at the Lakehead, whereby on one hand one public servant is rewarded for lying and another is penalized for telling the truth?

How can the Premier, as the leader of this government, having written these documents, conclude that this is not persecution, that this not vindication? Can he not see the error of his ways in leading a government that insists on appealing this case two or three days after he stands in his place in this assembly and invites us all to share in his sense of compassion and goodwill with respect to the former mayor of Kitchener?

Hon. Mr. Davis: I am delighted to know that the member may be beginning to share that sense of understanding and compassion. I am very encouraged by that. I think he meant to use the word "vindictive" instead of "vindicate."

I would only answer as I did before. This is not, as I understand it from the minister, a question of persecution, a question of morality in that sense. It is a determination by the recommendations of those people in the ministry that, with respect to the grievance settlement board's decision, there is something they feel is a matter of principle as it relates to this case that should be appealed. That is the advice that was given.

UNEMPLOYMENT

Mr. Conway: Mr. Speaker, the second question, which was to have been my first question to the provincial Treasurer, concerns the evidence that is building everywhere about the nature and the extent of the economic and human tragedy of unemployment in Ontario in the fall and winter of 1982.

The Treasurer is no doubt aware that the most recent data concerning permanent and indefinite layoffs in this province, data for the month of October 1982, indicate we have seen month over month, October over September 1982, an increase of 92 per cent in the number of permanent and indefinite layoffs. In October 1982, 6,052 Ontarians lost their jobs either permanently or indefinitely through layoffs. There were 1,400 at Stelco in Hamilton, and 1,250 odd at General Motors in Oshawa.

In view of the fact that the federal Minister of Finance indicated in the House of Commons yesterday that he was about to launch "an all-out federal-provincial effort to stimulate the sagging Canadian economy," and he held out the olive branch of invitation to the 10 provincial ministers, can the Treasurer indicate in a general way, for the 600,000 Ontarians out of work and for those many who are anticipating they will be thrown out of work any day now, what specific undertaking he will present on behalf of the people of Ontario at the Thursday meeting of finance ministers? What specific plans has he for participating as the representative of the major provincial economy in this new federal initiative Mr. Lalonde spoke of yesterday?

Hon. F. S. Miller: Mr. Speaker, I will have to wait to speak to Mr. Lalonde directly to find out whether he intends to increase his already rather large deficit with a major program of public works. He may decide to do so. He

certainly will be getting, as I am, conflicting advice these days as to the realness, if that is the correct word, of the meaning of a deficit.

I am one of those people who believes the kind of program on which the federal government has co-operated with the provinces in the last month is not really necessarily an extra spending of government money. I do accept the fact that governments have responsibilities, not only through insurance programs like unemployment insurance but through programs like general welfare assistance, to maintain at least some degree of income for those who are unfortunate enough not to have employment.

If we are going to pay someone in the absence of employment, it strikes me as good common sense not only to let them have the pride of being at work but to accomplish some objectives that are in the national interest, like major public works or even minor public works, where those minor public works need investment that otherwise would not be available. I do not see it at all as extra money. So Ontario will be going to that meeting, as we have gone to a number, to stress that employment and the creation of an environment for investment are among our top priorities.

The member talked in his preamble, as if it was a foreordained fact, about the many who were about to lose employment. I hope he is wrong. I hope he hopes he is wrong, because I do not think the worst is ahead. I think the worst is behind us.

Mr. Rae: I think the worst is in front of us.

Hon. F. S. Miller: Fair enough. I happen to be one of those who believe the more the member says that—whether I like it or not, he is credible outside of this House at times to some people. I have to say carefully to both members that, in playing the political game all politicians at some time embark upon, they they should not so totally demoralize people by their constant references to impending doom that it becomes a self-fulfilling prophecy.

Mr. Conway: What are the unemployed of Hamilton and Oshawa and Pembroke to make of that kind of answer?

The federal government through the new Minister of Finance, it seems to us, indicated a major new direction in the House of Commons yesterday. Thousands of Ontarians are losing their jobs on a monthly basis and the Treasurer and the Premier (Mr. Davis) have been wrong repeatedly about the end of this recession. The 564,000 in Ontario who are officially registered

as being out of work as of November 1982 await in daily anticipation the promise of 1981, the Tory re-election promise.

In view of these points can the Treasurer indicate the specific commitment he is prepared to enter into, given the new directions as outlined by Mr. Lalonde? The federal minister has clearly indicated he is now prepared to stimulate the economy more deeply and vigorously than has previously been the case on the part of that government. What specific initiatives is the Treasurer taking to that Thursday meeting?

2:30 p.m.

Hon. F. S. Miller: My honourable friend has acknowledged that the federal government has the primary role in the monetary policy of this country. This government made recommendations at the last first ministers' meeting on ways and means of alleviating some of the difficulties in our economy by changing the emphasis of the instrument of the government of Canada, the Bank of Canada, in its monetary policy.

The member must recognize that within the last month the governor of the Bank of Canada has probably made one of the most fundamental changes of direction we have seen. He has gone basically off his M-1—as it is called—as the basis for making the decisions for determining interest rates and money supply.

We have seen a large measure of success in our Bill 179—which will be almost three months old before it will get passed in this House. We have also seen a real tempering of the forces of inflation in the last while, and a real dampening in the growth of interest rates. Interest rates have come down at least 40 per cent in the last year and some improvements in the economy have appeared on the horizon. Housing starts are coming along in the States and here.

Mr. Martel: Where? Tell them that in Sudbury.

Hon. F.S. Miller: They do not like to admit that but they are coming along.

According to the economists I dined with last night—who are not from my ministry but from the universities and the businesses of this province—members will see signs that things will improve. But it will require concentrated action. I am going, therefore, with suggestions to make. But more important I am going to listen to what change, if any, has occurred since Mr. Lalonde became minister. After all his is the primary job; our job is to co-operate with him. We have signalled that we will co-operate. The

problems are serious enough that this province is prepared to put politics to one side and work.

Mr. Rae: Mr. Speaker, the Treasurer has been telling us there is light at the end of the shaft for a long time and it has not proved to be correct.

In that regard, I would like to draw his attention to the fact that in October there were 6,052 laid off—5,388 as a result of reduced operations. None of these 5,388 are eligible for statutory severance pay under the law of the Ontario. Can the Treasurer tell us whether he will be taking to this federal-provincial conference the very real problems of job insecurity and income maintenance that result from inadequate protection for workers in all provinces, and in Ontario particularly? Does the Treasurer not think this is a very real problem facing people who are being laid off?

Hon. F. S. Miller: Mr. Speaker, there is a fundamental difference in philosophy between the New Democratic Party and mine about what constitutes security for a worker. I firmly believe—and I am not sure the leader of the third party does—that security for a worker lies in the success of his employer's business. To a large extent that success depends upon world markets and consumer confidence. That is the point I was trying to make in my response to the first part of the question originally posed.

Consumer confidence is a very fragile thing. It is easily dampened and easily crushed. The last 18 months have done a great deal to dampen it. They tell me savings rates are passing 15 per cent at this point, which would tell—

Mr. Laughren: You are incompetent, Frank.

Hon. F. S. Miller: At least I have—

Mr. Speaker: Never mind the interjections.

Hon. F. S. Miller:—had the chance to prove I am incompetent rather than sitting on the benches like the member all the rest of his life pretending he is competent. He has much to feel incompetent about.

Mr. T. P. Reid: Mr. Speaker, I have a question for the Treasurer, who has been swinging between voodoo economics and Pollyanna economics in the past few months in the House. If we accept his view that all will be glorious come the spring, can he tell us what his government is doing about one of the fundamental problems we have in our economy, structural and otherwise, that is related to productivity? What is he doing to ensure that our productivity improves so we can continue to compete in international markets?

Hon. F. S. Miller: I trust my friend knows how productivity improves.

Mr. T. P. Reid: Not just by investment. You have given me that answer before.

Hon. F. S. Miller: The member would take a whip out, hold it over a worker and say, "Work harder."

What other route works? Productivity improves in a society through a number of means: (a) full use of the installed capacity of companies improves productivity; (b) cutting down the wage rate growth relative to one's competitors improves one's relative productivity or unit cost—

Mr. Martel: Compete for a foreign market maybe.

Hon. F. S. Miller: Just a minute. He is asking me and I am giving a lecture—

Mr. T. P. Reid: The first full answer.

Hon. F. S. Miller: —(c) is investing in plant. We can all pretend that is not the most important, but it happens to be. Into that comes taxation policy because if one confiscates too much of the pre-tax earnings, very few of those dollars will find their way back into plant.

That is one of the reasons why in a bad year Ontario had the courage to leave the income tax in the hands of the average small businessman.

LEATHERDALE CASE

Mr. Rae: Mr. Speaker, my question is for the Attorney General and it concerns the Leatherdale case and the decision of the Supreme Court of Canada with regard to that case.

It was the judgement of the Supreme Court that, while under the Family Law Reform Act, Mrs. Leatherdale had a perfect right to one half of what are described as the family assets, she did not have a right to one half of the nonfamily assets. In fact, it ruled that her work inside the home could not be taken into account when evaluating her share of the nonfamily assets.

If I may quote directly from the decision of Mr. Justice Laskin, he says, "The trial judge was, as stated above, wrong in bringing into account the work of the wife in the home." He makes several statements to that effect throughout the judgement.

I would like to ask the Attorney General whether, in light of this decision, he does not think it appropriate for this Legislature to consider changes to the Family Law Reform Act? I refer to changes that would consider the contributions a wife makes while working in the

home the same way it would consider any other contributions made by a wife while working outside the home?

Hon. Mr. McMurtry: Mr. Speaker, I think the Family Law Reform Act will be five years old as of March 1983. In light of that fifth anniversary coming up early next year I have asked my staff to put in process a complete review of this legislation. I will be making a statement in the Legislature next week about the form of that review. This matter and all other matters relating to this legislation will be carefully considered.

I would also like to say that this legislation that became law in 1978 was introduced to this House some time before that and certainly was and is very progressive legislation. It has served the people of this province very well and has brought a considerably greater degree of equity into dealing with these matrimonial and domestic disputes.

I can assure the leader of the New Democratic Party that the Leatherdale decision and any other relevant matters will be very much a part of this review that has been initiated in the ministry.

Mr. Rae: When the Ontario Law Reform Commission presented its report on family law in 1974, it stressed the need for recognition of the contribution both partners make to a marriage. It found the current laws did not recognize the very real contribution a wife is making by housekeeping and by household management. Also the report of the Ontario Law Reform Commission urged this distinction between so-called family assets and nonfamily assets be done away with.

2:40 p.m.

Can we not have a clear commitment from the Attorney General that, in light of the decision of the Supreme Court which has worked a very real hardship on Mrs. Leatherdale, his government will stand committed to ending this phoney distinction between family assets and nonfamily assets?

Hon. Mr. McMurtry: Mr. Speaker, I think the 1978 act makes it very clear that the intention of the legislation is to recognize the vital contribution made by any wife and mother who chooses to remain in the home. The whole matter of parenting and looking after the household is to be treated as of equal importance.

There are some complex issues related to this matter. We have no difficulty in accepting the principle of the fundamental importance of the

contribution made by the wife and homemaker. This is a matter that will be carefully reviewed. I would certainly welcome suggestions from any members of the Legislature as well as any outside the Legislature. As I have stated, this review is already under way.

Mr. Roy: Mr. Speaker, those of us on this side welcome any review of the Family Law Reform Act because it does require some fine-tuning in some areas. The decision of the Supreme Court of Canada basically kept and enforced a spirit that had been enacted in the 1978 act. Basically the decision ruled that under section 8, a decision of the Supreme Court of Canada was restricted to the basis of section 8, saying that a wife or spouse who wanted to claim under that section under nonfamily assets must show some type of financial contribution.

I would like to ask the Attorney General whether, in the light of that decision, he is prepared to review the definition involving family assets? As Justice Estey said, I think there is a difficulty of the courts interpreting, and the litigation in many cases involved the definition of what is and is not a family asset. Second, is the Attorney General satisfied the rights of spouses to achieve equity in the process if there is a separation is still maintained under subsection 4(6) of the act?

Hon. Mr. McMurtry: Mr. Speaker, all these sections will be part of the review. Fundamental to the review is the question of presumption of more or less equal sharing of the family assets as opposed to the business assets. This will be one of the major issues that will have to be resolved. All of this will have to be looked at in the context of the totality of the legislation.

Certainly anything that could be done to create any greater degree of fairness, and to remove any inequities that may have occurred subsequent to the passage of this legislation, will all be matters of intense interest to those reviewing the legislation—including myself.

Mr. Rae: To cut through some of the obscurity in the Attorney General's answer, does he not think—

Hon. Mr. McMurtry: Don't be insulting.

Mr. Rae: No, I am not being. This is very important. I would simply like to ask the Attorney General a simple question. In regard to the distinction between family and nonfamily assets, and the fact that according to the Supreme Court of Canada it is not possible for a judge to take into account the work a woman does at home or a man does at home, is it not his opinion

that works a real unfairness and seriously underestimates the contribution women make to marriages when they stay at home and raise children? Does he not think that is unfair?

Hon. Mr. McMurtry: Mr. Speaker, if the leader of the New Democratic Party would spend three or four minutes reading some of the decisions of the courts of this province in the past four or five years, he would recognize that this is taken into consideration on a day-to-day basis. I think he should look at this matter in a little greater depth and not be prepared to trivialize it, as he does so many issues in this House.

STOUFFVILLE DUMP

Mr. Rae: I think I will let that go, Mr. Speaker.

My second question is to the Minister of the Environment (Mr. Norton). The minister made two promises to the Legislature and the residents of Stouffville: that York Sanitation would not be allowed to expand the Stouffville dump site and that the dump would close on June 30, 1983. We now learn it is intended that the dumping will continue in Stouffville for another three years. How can the minister possibly explain this decision, given his commitment to the House earlier this year?

Hon. Mr. Norton: Mr. Speaker, for the purpose of helping to clarify in the mind of the honourable member what took place in April, I indicated in a statement to the House the contents of an order issued by the director of the environmental approvals branch of my ministry, an order I support and endorse. The result of that order was as is provided for in the legislation.

An appeal launched by the company in question was scheduled to begin before the Environmental Appeal Board more than a month ago—I forget the precise date. I want to make it clear I am not a party to this matter because, under the legislation, I am the next level of appeal. Therefore, I have had to treat this matter with great care in order not to jeopardize my capacity to carry out my responsibilities under the legislation.

However, prior to the appeal being heard, it is my understanding an approach was made by the company to the parties to the appeal, they at that time being, as I recall, the ministry, the town of Whitchurch-Stouffville, the Concerned Citizens of Stouffville group and a number of individual citizens who were represented independently from that group.

At that time I was involved to some degree in that I became aware that a proposal had been made. In instructing our legal counsel it was my position that they ought not to take a position that in any way would put them in a situation of being a proponent of any particular proposal. However, at the same time, if it were acceptable to all parties that such discussions might take place, they ought not to thwart such discussions. As a consequence, I understand a process was set in place and the parties among themselves selected one of the legal counsel from my ministry staff to act as a sort of chairman of the group during the course of these discussions.

To the best of my knowledge, there is not any agreement at this point that would alter the original decision in any way. It is my understanding, though, that there has been some agreement in principle among those who are parties to the proposed appeal and that those discussions are still continuing. It is not correct to suggest that I or the ministry have changed our position in any way.

It is my understanding the proposal embodies all the principles that were in the order, with two variations. One was the timing by which the site might be closed and the other an increase in the volume of material that would be allowed to be put in. If it is possible for all parties to agree to a variation in the original order that is acceptable to all, this decision and the advice that would be received by the parties presumably would be based largely on technical grounds as to whether this was acceptable or not.

2:50 p.m.

I want to make it clear that whether the site would be expanded as in the original application is not at issue. It is a question of the time by which the present site would be closed and the amount of waste that would be required to appropriately close that.

Mr. Rae: Mr. Speaker, I appreciate the length of the answer, but I am still not sure I understand what the minister's position is. He did make a statement on April 29, 1982, saying there would be no expansion, for reasons he set out, and second that there would be a close-out of the dump. In giving the reasons for this he said, "The information that has been provided has some fundamental errors that make the proposal unacceptable, since the site may create a nuisance and a health hazard." That refers to the old site, as I understand the text of the minister's statement, and that is the reason the site was being closed.

If that was true on April 29, is it still not the case in December? Does the minister not think the same facts hold and that the site should still be closed? Is that not the view of the minister today? Why has he changed his mind?

Hon. Mr. Norton: Mr. Speaker, at this point I think it is not for me to impose my view on the process that is taking place. I think a legitimate discussion is taking place.

I want, though, to clarify two points in the mind of the honourable member. First of all, the proposal that has been made and that is subject to discussion, as I understand it, still provides for a close-out, but a close-out at a different date. It still would maintain no expansion of the site in the sense that the original application was for an expansion of the site. That has not changed.

Mr. Elston: Mr. Speaker, in his answer to the first question the minister mentioned that the parties to this hearing are the ones who are dealing with the negotiations with the company. The citizens' group that originally raised the issue with this ministry and followed up on it so well by doing all the studies necessary to bring it to the minister's attention has withdrawn because of funding difficulties. As this is so, is there any chance the minister can develop some kind of program whereby these public interest groups can receive funding and therefore be able to participate actively and continually in processes like this? They should be assured their fears are not bargained away between other groups to the actual appeals system.

Hon. Mr. Norton: Mr. Speaker, I have heard from one or two sources that funding difficulties might have played a role in that decision, although I find this difficult to accept in view of the fact they were being provided with free legal counsel, as I understand it.

I have also heard speculation—and as far as I am aware it is nothing more than that—that the Concerned Citizens were perhaps motivated or influenced by certain other factors. I understand they had outside advice that had nothing to do with my ministry. I was told there was professional advice that the proposal made good sense—advice that in fact recommended they might accept it.

However, before their meeting, the member for Hamilton Mountain (Mr. Charlton) attended a meeting of theirs, I believe, and urged them under no circumstances to entertain any such possibility of arriving at any agreement. At a meeting two or three days later they decided to

withdraw as a party. One speculative version I have heard is they made that decision to withdraw as a party because there was such division within the group as to what their common position might be. That might not be correct.

If they had ongoing concerns my advice to them would have been to remain a party and to maintain that position. Under no circumstances do I or my ministry have any interest in trying in any way to press people to accept any agreement they think is unreasonable. If they had wanted to maintain that position it was their decision to do so. I do not find it credible, in the absence of any evidence to the contrary, that financing was the main issue if they were being provided with free counsel.

Mr. Charlton: Mr. Speaker, I should say to the minister that it is never wise to comment on things of which he knows not. If he wishes to be briefed on the situation in Stouffville, my staff would be happy to sit down with him and fill him in fully on the discussions that went on there.

My question to the minister relates to his answer to the first question. The minister suggested an alteration of the original order may be possible if all the parties to the appeal agree. Can I take it that means if all the parties to the appeal do not agree, there will be no alteration to the original order of last April?

Hon. Mr. Norton: Any decision with respect to the date and the volume of waste that can be accepted in that site will ultimately have to be based upon the soundness of technical evidence with respect to environmental impact. I understand the proposal at present lends itself better to the appropriate contouring of that site to avoid problems of ponding and pooling of water in future because of the stringency of the original order. We still stand by the original order as it is at the moment.

I want to emphasize that this is a serious matter. It is important to the interests of that community and those citizens that they be permitted an opportunity to examine any such proposal and come to their own conclusion.

I do not approve of the conduct of a member of this Legislature who would deliberately try to disrupt the efforts of the citizens of that community to do that very thing. I could respond to the member's latest question by saying, "Yes, perhaps there will be no acceptance of any agreement if one individual party does not accept it." But knowing his conduct, his first effort would be to go out to Stouffville and try to persuade one individual not to accept it to try to abort any reasonable effort to find a solution.

Mr. Martel: Mr. Speaker, on a point of order: The minister should withdraw. He is imputing motives to another member, and in this Legislature that is contrary to the rules. I ask you to have him withdraw his last comment.

Mr. Speaker: The version I heard quite clearly was rather hypothetical. The minister was speculating. He did not impute any motives to anybody.

CANADIAN PIZZA CRUST LTD.

Hon. Mr. Ramsay: Mr. Speaker, on November 26, the member for York South (Mr. Rae) raised a question concerning problems experienced by some 23 employees of Canadian Pizza Crust Ltd. At this time, I wish to report on the results of the investigation which I directed in respect of this matter.

3 p.m.

At my request, a senior official of the industrial relations division has met with the employer and employees involved. I am pleased to report that yesterday, with the ministry's assistance, the parties concluded a settlement of their differences.

The terms of the settlement provide for the reinstatement of all 23 employees effective December 13. In addition, the disputed 30-cent-per-hour wage increase will be granted to those reinstated employees who qualify by reason of length of service. In return, the employees have withdrawn their complaints under the Employment Standards Act and the Human Rights Code.

This matter now appears to have been resolved to the satisfaction of all parties.

Mr. Rae: Mr. Speaker, before asking a short supplementary, I want to say to the minister that the action the ministry took in this regard restores some of the little faith we on this side have in the question period process itself. I want to congratulate the minister and his staff for the speed with which they responded to the concerns we raised in this House with respect to that question.

My supplementary is this: Does the experience of his ministry and the Ontario Human Rights Commission in this case not make him feel that it is time for a change in the Employment Standards Act? Does he not think there should be a just dismissal provision so that other workers in similar positions around the province will have the same protection we managed to get by virtue of the kinds of pressure put on in

this case? Does he not think it is time all workers had the same kind of protection?

Hon. Mr. Ramsay: First, I want to thank the honourable member for his gracious remarks.

In response to the question he raised, I would answer in the same manner in which I answered when it was raised on a previous occasion. The matter of unjust dismissal is under very active study by the employment standards branch.

MENTAL INCOMPETENCY HEARINGS

Mr. Roy: Mr. Speaker, my question is to the Attorney General. If the Attorney General feels it is not within his jurisdiction, he could refer the matter to his colleague the Minister of Health (Mr. Grossman); and if it is not in his jurisdiction, it may be referred to the arrogant Minister of Community and Social Services (Mr. Drea).

Mr. Speaker: Question, please.

Mr. Roy: I just want to play it safe, Mr. Speaker.

My question to the Attorney General is: In the light of the recent decision and court case involving the question of competency under the Mental Incompetency Act of Justin Clark and, as I understand it, a series of other applications which shall be made, can the Attorney General advise when we can expect major reforms of that statute in the area of having the question of competency or incompetency decided in a forum other than a trial? I wonder whether he agrees with me that a trial is not a proper forum for this type of decision.

Secondly, will the Attorney General look at giving more flexibility to the presiding officer, board or whatever it is that is going to have to make a decision so that, rather than being forced to make a decision that is either black or white, competency or incompetency, the presiding tribunal, judge or whatever is allowed to make a decision, for instance, of competency but requiring assistance for specific tasks?

Hon. Mr. McMurtry: Mr. Speaker, I know the member for Ottawa East is well aware of the complexity of this issue. As he appreciates, on the one hand many of these procedures are there for the protection of the individual who wishes to be able to manage his own affairs. On the other hand, the legislation must protect that individual when he is in need of protection in so far as his competency to manage his own affairs, particularly since people in that position are often vulnerable to other less scrupulous people who might want to take advantage of their disability.

The issue being as difficult as it is, in my view it is necessary in the final analysis to provide the opportunity for some process that will allow the adversarial mechanism to obtain the truth as it may relate to a particular individual for his protection. Having said that, obviously the Justin Clark case raises a number of issues, and the ministers involved, together with our law officers, will be reviewing the legislation in the light of that case.

Mr. Roy: Having in mind, as the Attorney General stated in answer to my question, the possibility that the adversarial system is retained—and I am not sure that it should be for this type of decision; but given that it is—subsection 7(2) of the present statute provides that an application for this type of purpose, to declare competency or incompetency, can be made either by the Attorney General himself or by a next of kin, a parent or otherwise.

Having in mind that an application can be made in this fashion and that some parent or next of kin may genuinely and objectively have some concern about the person's competency, will the Attorney General also review the situation whereby the person who is the subject matter of those proceedings may have legal assistance—in fact, support from legal aid, support from the Ministry of Community and Social Services and assistance from a variety of sources—while on the other side the next of kin or parent may well be in the situation where he has a genuine concern but has to suffer serious financial and legal obligations?

Will the minister review that prospect as well to make sure that there is not inequity and to restore a sense of balance in that process?

Hon. Mr. McMurtry: I certainly agree, first, that the adversarial process, while necessary in the final analysis, is not the avenue that we would like to see these matters take if they can be resolved short of that.

Second, I agree it is important that the interests involved must have access to competent and affordable legal assistance. In this context I might just mention that several months ago or longer, as I think the member knows, I asked Judge Rosalie Abella of the family court in Toronto to undertake a review of the accessibility of the handicapped to legal services. I assume that this case obviously is of great interest to her and that this issue will be part of her review, at least in so far as it relates to a person who may be suffering some form of handicap.

RESIDENTIAL TENANCY COMMISSION GUIDELINES

Mr. Philip: Mr. Speaker, I have a question to the Minister of Consumer and Commercial Relations. Will the minister confirm that in a rent review hearing for a building at 40 Earl Street in Toronto, the rent review commissioner, Mr. David Braund, was unable to obtain the names of the beneficial owners of that building, now owned by a numbered company, namely, 495929 Ontario Ltd.?

Is he further aware that on November 24, the agent for the landlord of a building at 41 Garfella Drive in Rexdale, owned by a company called 490352 Ontario Ltd., refused to provide the commissioner, Mr. Tenbroeck, with the name or names of the beneficial owners?

What action has the minister taken to ensure that commissioners request such information in the sale and resale of new buildings coming before the commission, and what actions will be taken in each of those cases where the landlord or his agent refuses to provide that information?

Hon. Mr. Elgie: Mr. Speaker, obviously the commissioner does not consult with the minister about his decisions, nor would this Legislature or the honourable member expect him to. I am advised that he did indeed make a finding yesterday that he saw it as an important thing for him to know who were the beneficial owners of the property to make a determination as to whether the transfer of property had been at arm's length. I have not yet read the decision myself to confirm that, but that is preliminary information given to me.

As I am sure the member knows, those are matters that are left to the discretion of the commissioners, although they do consult with each other and the chairman has certain guidelines and certain policy proposals he discusses with his commissioners from time to time.

3:10 p.m.

Mr. Philip: The minister does not leave it at the discretion of the commission when he promises this House that he can find out the names of beneficial owners, as in the case of the Cadillac Fairview sale. But in the case of 40 Earl Street, the commissioner ruled that he would allow only a 23 per cent increase instead of the 54 per cent that was requested by the owners, whoever they are, of 495929 Ontario Ltd., refusing as he did, to pass through the financial costs of the resale to the tenant.

Can the minister confirm whether that ruling will apply in the case of the Cadillac Fairview

sale to a series of numbered companies? Will the minister now take action to prevent landlords from receiving any increases when they refuse to provide that information to the commission?

Hon. Mr. Elgie: The House should clearly understand, as I am sure the member does, that the guidelines this government has introduced, and the proposed bill I am asking members to support, and to support quickly, so we do not have tenants in this province who will be suffering because there has not been co-operation—I have not had any indication that I will not get it, but I am counting on their co-operation to get it through quickly—the guidelines and steps this government has taken are seen as very indicative of our view that the kind of speculative activity we have seen in these situations is not to be tolerated.

NORTHERN TASK FORCE

Mr. Piché: Mr. Speaker, my question is to the Minister of Northern Affairs. The minister is aware of the extreme importance being placed on the release of the Task Force Study of Transportation and Living Costs in the Far North because of the hardships experienced by those who live in that part of Ontario.

As the minister knows, with gas costing more than \$5 a gallon in Winisk, butter at \$3.19 a pound in Attawapiskat, bread at \$1.55 a loaf and milk at \$1.15 a quart in Fort Albany, there is no doubt that the people of the north are finding it very difficult to afford their basic needs. As the minister also knows, a recently announced increase in air transportation rates will make this situation even more critical.

Will the minister please advise the House when the report of the task force, which began investigation of these costs in August 1981, will be released to the public? Will he also advise the House whether leaders of the communities affected by the report will have an opportunity to provide further input and for discussion with the minister before its final implementation?

Hon. Mr. Bernier: Mr. Speaker, let me first point out that this minister and this government certainly share the concern of the member for Cochrane North about the high cost of living in the remote parts of northern Ontario.

The honourable member is quite correct in pointing out that an interministerial committee was established some time ago. It has gone through various studies, has moved across northern Ontario, has had dozens and dozens of

meetings with the local people, and has prepared a draft.

I am told by my staff that the first draft should be in my hands early in 1983. It will be reviewed very carefully within my office, then made public, and we will ask for some response from the native communities and those directly affected and involved.

REPORTS

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Mr. Barlow, on behalf of Mr. Eves, from the standing committee on regulations and other statutory instruments presented the following report and moved its adoption:

Your committee begs to report the following bill with certain amendments:

Bill Pr39, An Act respecting the City of Windsor.

Motion agreed to.

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Mr. Barlow, on behalf of Mr. Eves, from the standing committee on regulations and other statutory instruments presented the committee's third report for 1982.

MOTIONS

BUSINESS OF THE HOUSE

Hon. Mr. Wells moved that private members' business not be taken up on Thursday, December 16.

Motion agreed to.

ESTIMATES

Hon. Mr. Wells moved that the estimates of the Ministry of Agriculture and Food be referred to the standing committee on resources development for consideration tonight and tomorrow morning, Wednesday, December 15, the time taken in that committee being subtracted from the remaining time allocated for those estimates in the committee of supply.

Motion agreed to.

ANSWERS TO QUESTIONS ON NOTICE PAPER AND RESPONSES TO PETITIONS

Hon. Mr. Wells: Mr. Speaker, before the orders of the day I wish to table the answers to

questions 308, 309, 405 to 430, 648, 657, 670 and 675 to 680, all standing on the Notice Paper, and the responses to petitions presented to the Legislature, sessional papers 282, 289 and 291 [see Hansard for Friday, December 17].

ORDERS OF THE DAY

PROTECTION OF TENANTS AND HOME OWNERS

Mr. Rae moved, seconded by Mr. Philip, motion 47 under standing order 63(a):

This House condemns the government for its failure to protect the interests of tenants and home owners in the province of Ontario; specifically for its failure to launch a full public inquiry into the sale and subsequent resales of nearly 11,000 units in Toronto owned by Cadillac Fairview, despite evidence of massive profiteering and misleading information being given to a minister of the crown by private financial interests; for its imposition of a set of rent review guidelines which continue to impose on tenants the cost of speculation and intolerably high interest rates; for its failure to introduce legislation which embodies the principle that comprehensive and not just temporary rent review and control should become a permanent part of the legal and economic landscape of the province; for its failure to introduce a speculation tax on speculative transfer of land and housing; for its failure to relieve the burden of property taxes on middle- and lower-income home owners; for its failure to allow home owners to pay off without penalty closed mortgages at high interest rates, thus preventing thousands of Ontarians from taking advantage of lower rates; for its failure to introduce legislation which would require full and open disclosure of the identity of beneficial owners and shareholders of companies incorporated pursuant to the laws of Ontario and full disclosure of the ownership of land by such companies and by companies and individuals resident outside Ontario; for its short-sighted and reactionary decision to conduct a fire sale of lands previously purchased and banked by the government of Ontario; for its refusal to carry out an intensive program of construction of new housing in the nonprofit, co-operative and public field in order to provide affordable housing and jobs for thousands of Ontario's people; and for its fundamental failure to recognize that shelter is too precious and important a human need to be left to the caprice of the speculator and the whim of a marketplace dominated by

the principle of private profit and enrichment; and for all these reasons this government now lacks the confidence of this House.

3:20 p.m.

Hon. Mr. Wells: Mr. Speaker, on a point of order: May I indicate that it was agreed we would share the time equally among the three parties? Perhaps the table could make the necessary arrangements.

Mr. Speaker: Agreed.

Mr. Rae: Mr. Speaker, I am sure you and some honourable members will be surprised to realize, as I was earlier today, that this is my maiden speech before the House in the sense that this is the first occasion on which I have been able to speak before the whole House, rather than the committee of the whole House, with respect to a matter of some importance.

In doing so, I want to deal with some important things with respect to how it is I arrived here and to say a couple of things, if I may, about my predecessor, Donald MacDonald, the former member for York South.

When Mr. MacDonald announced his intention to retire from the House, tributes were paid to him by members from all sides. I simply want to say that as far as I am concerned, there is no finer politician in Ontario and no person who better understands and respects the traditions and the people of this province.

I am very proud, and I will leave it as simply as I can at that, to be his successor in this Legislature. I hope that in my own way and in terms of my own service, I may provide something of the kind of contribution he provided not only to this Legislature but also to the people of York South, the people he represented.

Mr. Roy: It is unfair that there should be such poor attendance by your caucus on your maiden speech. We should ring the bells.

Mr. Rae: I appreciate the attendance of the member for Ottawa East (Mr. Roy) which for my short time here has been somewhat sporadic. I realize he has other commitments outside this House to other clients.

Mr. Roy: It is the quality, not the quantity.

Mr. Kerrio: It's quality when we talk about Albert.

Mr. Rae: It is quality. I appreciate that, and I certainly appreciate the help I have had since coming here from the member for Niagara Falls (Mr. Kerrio).

Mr. Kerrio: Any time.

Mr. Rae: I do not know where I would be without his helpful remarks.

Mr. Kerrio: I am a big-hearted guy.

Mr. Rae: I have not heard the honourable member speak from his feet, but I have certainly heard him speak from his seat. He makes a valuable and pithy contribution to the debate in this House.

Mr. Roy: You should be proud to have some Liberals here to listen to you.

Mr. Kerrio: They never accused this member of being a wimp.

Mr. Rae: I would.

Mr. Kerrio: I acknowledge that. You know what you are talking about.

Mr. Rae: I also want to express my gratitude to the people of York South for having sent me here. I have had the good fortune to have been elected four times in the past four years, both to the House of Commons in Ottawa and now to the Ontario Legislature. I am sure all members realize the kind of trust and the sense of trusteeship all of us have in taking very seriously the responsibilities and the confidence that has been given to us by the electors of our constituencies.

I want to express my particular gratitude to the people of York South for having sent me here and to indicate how seriously I take my obligations to provide them with the best representation I possibly can.

Mr. Speaker, the motion before us is a motion of no confidence in the government, a motion that flows from two basic concerns we have in this party. Our first concern has to do with the breakdown of the rent review system, the breakdown of security, the breakdown of justice, the breakdown in many instances of decent and proper maintenance and the breakdown in the system of rent review established by this Legislature a few years ago.

The approach I want to take today will be to touch on a number of questions, but I think it can be described as touching on three basic questions. The first has to do with the basic problems with rent review and the breakdown in that system, the very real problems that have been created for tenants as a result of the breakdown of the rent review system and the very real challenge facing any government that wants to deal with the problems that people face.

The second point I want to make obviously has to do with the very real inadequacy of the government's response to the general problems

of rent review and to the particular problem that we now know as the Cadillac Fairview deal.

The other aspect of my remarks will touch on the other side of the coin; that is, not simply the problems that rent review causes for tenants, but the very real problems that conditions over the past few years, in terms of interest rates and the economic downturn, have created for the overall housing market and for the overall provision of shelter by the government of this province and indeed by the government of Canada.

We are dealing with three questions: the breakdown of rent review, the problems of Cadillac Fairview and the inadequacy of the government's response to these issues and to the broader question of what kind of future there is for secure and decent shelter in Ontario.

The Cadillac Fairview case has to be seen not as something that can be taken out of context, not as an unusual event, not as an exception but, rather, as one of those instances and as one of those events that graphically demonstrate problems that all of us realized were there and were brewing before.

As a federal member and as somebody who was a candidate in York South, I know that we all—and I am sure I speak for many other members—were aware and becoming increasingly aware of the very real deterioration that was taking place in terms of the rights of tenants over the past few years. I can think of many instances in the riding I used to share with the now Minister of Consumer and Commercial Relations where problems were being created for tenants by high interest rates and the deterioration in standards of maintenance as a result of what was taking place in the marketplace.

I want to emphasize what some of these problems are. First of all, there are the very real problems and challenges posed to rent review by the sale of buildings. If I may take a case in point, because I believe when you do take a case in point it often demonstrates far more graphically than anything else can possibly demonstrate just how real these problems are, I want to turn not to the Cadillac Fairview buildings that were sold to whomever—we do not know who they were sold to yet—but to another example, two buildings, at 221 and 265 Balliol Street, that are known as Chequers Place.

These buildings were sold by Cadillac Fairview to Chequers Place Properties Ltd. on October 27, 1982. The price paid was \$13 million, of which \$2.5 million was in cash, \$4.3 million was in assumed mortgages and the

vendor-takeback mortgage was \$5.9 million. Cadillac Fairview is the holder of the vendor-takeback mortgage, Metropolitan Trust is the holder of another mortgage, the Canadian Commercial Bank at prime plus two and a half is the holder of another mortgage, and Gossamer Investments is the holder of a fourth mortgage on these buildings as the result of the sale.

The buildings were sold before the brouhaha took place with respect to the other Cadillac Fairview deals. The landlord—and I am sure the minister may be aware of this case—has applied to rent review for an increase of 42.4 per cent, with the increases to take effect on February 1. The tenants received notice of the application on November 10. The project now is managed by a group called Blokker Property Management Inc.

When one hears the figure of 42.5 per cent, one might not think it is such a terrible figure because it is simply a percentage and in the abstract, while it seems very high, one does not really know what it means in hard dollar terms. Let us look and see what it means in hard dollar terms.

3:30 p.m.

The old range for a bachelor apartment was from \$251 to \$337; the new range is from \$357 to \$480. That means increases of a minimum of \$100 per month. A junior one bedroom, from \$277 to \$395; a one bedroom, from \$309 to \$440; a two bedroom, \$386 to \$549; a two bedroom special, \$411 to \$587—some special—and a three bedroom, of which there is only one, \$386 to \$550.

That graphically demonstrates the very real and incredible problems that are being faced by tenants in buildings which are being resold. I do not think I have ever had a more clear and telling experience with respect to the impact of sales and what is happening to rent review than when I was canvassing in York South, in the area known as the Jane-Woolner area, which has become somewhat famous because of the number of cases which are going to rent review there.

There are problems of dramatic rent increases being proposed by the landlord on the one hand, and on the other hand, there is a very real deterioration in the quality of maintenance. There is a tremendous sense of frustration on the part of the tenants with the injustice of this situation. There is injustice in the situation when it comes to getting the hot water turned on, when it comes to having heat provided, when it comes to being able to get rid of

cockroaches or other pests, when it comes to being able to deal with the problems of maintenance which tenants are facing, and there is no response from the landlord.

The only message they get from the landlord—and frequently it is an impersonal message from a numbered company—is that they are being taken to rent review and the increases that are being asked for are \$100 per month, or \$110 per month, or \$120 per month.

That is the atmosphere and the kind of insecurity and the kind of injustice which reigns in a number of buildings, not just in Toronto but right through the province. That is the reality which a government with responsibility for property and civil rights has to contend with. I want to suggest—I will come back to this—that the government's response has been totally inadequate with regard to that particular problem and to the situation that those tenants are facing.

We have brought up the problem of illegal rent increases. The minister is aware of that problem. The minister is aware, for example, of 91 Cosburn Avenue in his own riding—the example that I gave him—and of Phil Wynn, the landlord who can be described as being notorious over the past few years in terms of his dealings with his tenants. I do not think “notorious” is an unfair word to use with respect to Mr. Wynn.

Half of the units in that building are currently being rented at rates which are illegal, which are unlawful, which are way above and beyond the rates that would have been allowed by the Residential Tenancy Commission had Mr. Wynn ever taken the building to rent review. Did he take it to rent review? Of course not. Why take it to rent review when the consequences would be that he would be discovered and found out for having imposed illegal rents.

What does the landlord do in these circumstances? The landlord does everything he can to encourage tenants to leave. There is a lot of evidence to suggest that is exactly what happened in that building. As soon as the tenants leave, he then charges a rate which is way above the rate which was permitted under the law and permitted by the Residential Tenancy Commission. They are encouraged to leave and the rate goes up again, and then they are encouraged to leave and the rate goes up again.

We have the fantastic situation in one instance, at 91 Cosburn Avenue, where there is an allegation which has been documented. We have the rent book. We have the records. They were

made available by virtue of the fact that an employee finally felt that what was being done was completely unfair, where one tenant is paying \$274 more than the permissible rate.

This is not a new problem. This problem was not discovered this week or this month. This is a problem that was known at the time that rent review was being considered by this Legislature. It is a problem that could have been prevented by a rent registry, but the government has refused to proclaim that section of the act. The government has refused to introduce the rent registry and the government has refused to do something that is even more fundamental and even more straightforward. That is to say to a landlord who imposes any illegal rent, “You are going to have to pay a penalty for having broken the law.”

What is the penalty now for a landlord? Let us see what the process is. If an individual tenant has the courage—and it takes some courage, because of the real insecurity that reigns in many of these buildings—to take the landlord to the Residential Tenancy Commission and say, “I think the rent being charged is unlawful,” he goes through the process.

The tenant does not have access to the books or to the records; the tenant may just be working on a hunch. If, on the basis of whatever takes place at the Residential Tenancy Commission—and the commission can find either way—it is found that the tenant is paying an unlawful rent, what does the landlord have to do? He has to pay the tenant back.

Mr. Swart: If he can find him.

Mr. Rae: As the member for Welland-Thorold says, if he can find the tenant. The whole program is based on the fact that the tenant himself has to bring that application. So it is a process that makes a mockery of the law. It is a process that every landlord who is interested in making more money outside the purview of the law can carry on, in flagrant violation of the law, in flagrant violation of rent review, and the only penalty that landlord suffers is, in certain cases, having to pay back money. It is a sure moneymaker. The law does not give a disincentive—there is no fine if the law is broken—the law gives an incentive to landlords to break the law. There is a positive incentive there.

We mentioned the problem of exemptions. We have raised examples in the House with respect to conversion to condominiums, conversion to apartment hotels, conversions that desperately affect the rights of tenants and the

ability of tenants to maintain their security and to maintain their homes.

There is lack of authority with respect to maintenance, a problem that has not been widely discussed in the Legislature, but we know is very real. All of us know one of the basic problems faced by tenants in many buildings is an increasing reluctance by large and increasingly impersonal landlords to deal with problems of maintenance.

On a Friday afternoon at 200 Woolner Avenue, or 220 Woolner, or any of the apartments on Woolner Avenue, if the heat is turned off and the tenants phone the borough of York the borough says, "Phone us back on Monday." The tenants have evidence over the past year that hot water and heating problems have not been dealt with.

This is a problem I believe the law does not really tackle, because the Residential Tenancy Commission, as any of us who have attended meetings of the commission know, does not deal with problems of maintenance. It does not have the authority to instruct the landlord to provide maintenance. If the landlord wants an increase, then it is up to the landlord to start providing maintenance.

Hon. Mr. Elgie: The tenants can deduct rent if they are not.

Mr. Rae: The minister says they can deduct rent if they are not, but the question is this—

Hon. Mr. Elgie: They can lower the rent if the landlord does not keep the premises up.

Mr. Rae: I can understand why the minister is interrupting and is excited. I know his concern as well. I simply say to the minister—

Hon. Mr. Elgie: It is your maiden speech. I am listening to it.

Mr. Rae: You could have fooled me.

Hon. Mr. Elgie: You are trying to fool more people than I am.

Mr. Rae: I do not think so.

If the minister would reflect for a moment and put himself in the position of a tenant in one of the buildings on Cosburn Avenue or on Gamble Avenue in his riding, facing the difficulties he knows those people face, difficulties with language in many instances, difficulties with not having a job in many instances, insecurity at work in many instances, problems of income in many instances. He is aware of those problems. He knows perfectly well that the law, as it is currently considered and constructed in this province, is a very poor instrument for the

protection and rights of those tenants with respect to maintenance.

I am not saying the solution is easy. What I am saying is that there is a real problem and I suggest it is an area Mr. Thom is going to have to deal with and an area the minister is going to have to deal with. We will be dealing with some proposals that we have with respect to the rights of tenants' associations and the need for us to perhaps move into a new era, more of a collective bargaining relationship between the tenants' associations and the landlords with respect to certain minimum conditions and minimum standards.

The minister knows this is the direction in which the law has to move, and I am sure that if he were to overcome some of his own ideological predispositions not to face up to these situations, he would recognize that this is what he has to do.

3:40 p.m.

The final problem is the exemption of new buildings. It is a growing exempt sector; it is a hangover from the era when rent review was considered to be a temporary phenomenon. I know the members of the Liberal Party have changed their minds, or so I have gathered, on this and on many other questions. One cannot tell the players without a program, and one cannot tell their position without a program.

All I am suggesting is that there was a time—and with the member for Niagara Falls in the chair, I will be very careful about the party I am addressing—when this matter was considered previously, when I think both the government and the Liberal Party were agreed that rent review was a temporary phenomenon, that rent review was simply a temporary intervention on the part of the government to deal with some temporary problems in the marketplace, some increases in rents that were clearly unfair, some problems in the vacancy rate that were serious, and therefore the government felt it should be done on a temporary basis, almost from year to year.

If one reads the debates, as I have had occasion to do because of the fact that I am new here and I am just getting started—and making all kinds of mistakes, as the Minister of Consumer and Commercial Relations points out every time he gets to his feet—it is interesting to notice that in the debates this year on rent review there has been a dramatic change of position by the Liberal Party. I gather they now recognize, judging from what they have said,

that maybe this is not such a temporary phenomenon after all.

I think this is something Mr. Thom and the government will have to come to terms with, that our party was right when we said in the mid-1970s that rent review is not some temporary phenomenon. A program of rent review dealing with the question of the fairness of rent, with the question of maintenance and with the ability of tenants to find remedies quickly through a solution to their problems is a permanent need in our social law that is going to have to have to be dealt with by this Legislature on other than simply a temporary basis.

Finally, the Cadillac Fairview issue is a dramatic demonstration of what was going on in the marketplace, of the kinds of deals that were being made, of the conflict in our society between those people who see property as a speculative commodity that can be invested in, disinvested in, reinvested in, transferred, flipped and shifted over according to their own whims and the caprice of their own greedy desires, and those people who see apartments as a place to live, as a home. That is all it is for most people.

But there are a precious few, a powerful few in our society, who see property and apartments as something else, not as a place to live but as a place to make money out of, a place to suck profit out of. That is their perception of apartments. When they walk by apartments they do not see homes, they do not see Christmas lights and Christmas trees in the windows, they do not see people lighting candles on a Friday night, perhaps; they see a place to take money out of, a place that can be flipped and reflipped.

I want the minister to know that there can no longer be any accommodation in our society between these two conflicting views. It is time the government of Ontario came to terms with the fact that housing and shelter are too precious and too important to people simply to be treated as a commodity that can be traded in the marketplace.

If I may be temporarily fair to the government, it is stumbling towards that realization; and the Cadillac Fairview deal gives us a perfect indication of how imperfectly and how gradually it is stumbling towards it, because the Cadillac Fairview deal had several parts to it. The first part was the decision by Cadillac Fairview, announced at the beginning of this year, that it was going to put its 11,000 units up for sale. It announced that as a policy to its shareholders. It was looking all over for a buyer and apparently it found a buyer in the Greymac

group of companies. We will have to leave it to the special examiner, Mr. Morrison, to determine exactly what that special constellation is.

When the Cadillac Fairview deal was first announced at the sale price of \$270 million and the tenants began to question it and to express their concern about the impact this sale was going to have on them, the minister was on his feet quickly in defence of the deal in response to questions, in defence of the importance of allowing these transactions to go ahead, in defence of the importance of allowing people to make money out of these kinds of transactions and simply not asking questions.

The minister made it clear he was not going to interfere in the transaction, that it would be wrong if he interfered. He did not propose to ask many questions about it. I will come to his famous interview, that famous confrontation. How one would have loved to have been even the proverbial fly on the wall at the meeting between Leonard Rosenberg and the minister.

However, before any shifts, flips, reflips and subsequent reflips, perhaps even out of the country, were announced, the minister himself was not expressing dramatic objection to the nature of this transaction or to the nature of other transactions which have occurred, such as the one I mentioned before of 221 and 265 Balliol Street.

One sale at a speculative profit is apparently all right. That does not bother the Tories. If there is one sale and a huge, massive profit is made, that does not disturb the Tories. They are not offended by that. They are not worried by that. We will see how totally inadequate the rent review response is to that. When it comes to having two, well, maybe that is a problem, but one does not bother them.

When we come to look at the inadequacy of the response of the government to this problem, I have some real questions as to how readily the government understands the conflict between these two world views, if you like, between those who would see housing as a realm for speculators and those who see housing as a place to live.

The minister started to express concern only after he had his meeting on November 1 with Mr. Rosenberg and then discovered some nine days later, to his horror, that what Mr. Rosenberg told him was taking place was in fact not taking place. To this day, I do not understand the minister's response to this situation. I have asked him these questions in committee, I have

attempted to ask him these questions in the House and I simply do not understand it.

There is a substantial body of evidence that would suggest problems when one is talking about a transaction the size of that which took place with respect to those 11,000 units, and the complexity of the deals between Mr. Rosenberg and Mr. Markle, Mr. Markle and Mr. Player, Mr. Player and Mr. Rosenberg, Mr. Mastin and Mr. Markle, and Mr. Rosenberg and Mr. Player, and the unnamed Swiss, Saudi Arabian and other sources of money that are reputed to be around.

I do not know, because all I know is what I read in the papers, in Maclean's magazine, in the Financial Post, in the Financial Times and all those other places that are equally trying to put together and recreate this orgy of mysterious speculation which took place in that period. The minister is asking us to believe, in terms of his answers, that all of this orgy took place in three days.

One cannot even close a house deal in three days. One does not even sell a house in three days, let alone 11,000 units. The minister, in terms of his answers, is asking us to believe that when he spoke to Leonard Rosenberg—the president of Greymac, the president of a company which has fiduciary obligations not only to its shareholders and the people who put their faith in that institution, but has clear obligations under several pieces of legislation to the government and to the minister himself—when he walked into his office, the president of a trust company walks into the office of a minister of the crown and says to the minister of the crown, “We are going to be putting carpets in on December 1 and we are going to be doing this on December 1 and there is going to be new furniture on December 1,” the minister is asking us to believe that Leonard Rosenberg had not already concocted what we now know as the Leonard Rosenberg-Mastin-Markle-Player flip-flop, resulting in a deal that is now worth \$500 million rather than \$270 million.

3:50 p.m.

The minister is asking us to believe that, and I find that absolutely incredible. I would not suggest for a moment—I say this to the minister and I want to put it on the record—that the minister has in any way or in any shape or form deliberately misled this House. I would not accuse the minister of that for an instant or a second, but I would say to the minister that when he is lied to, and I use those words deliberately and quite carefully, and when he is

given information that is deliberately misleading with respect to the plans of a trust company in this province, then it is time he started asking some tough questions. He has not been asking them. He has never even said to this House, “I was misled by Mr. Rosenberg, and I object to that.” He never even said that.

The Premier said the other day: “I do not think there was any wrongdoing. We have not found anything of a criminal or fraudulent nature, and until we find something of a criminal and fraudulent nature we cannot conduct a public inquiry.” The Premier has got it all wrong. When we find something of a criminal and fraudulent nature we lay criminal charges. That is what we do. We do not have a public inquiry. We lay charges.

I have never suggested, and I do not know anybody in this House who suggested for a moment that the minister should lay charges against Leonard Rosenberg or anybody else, because that is not the sort of thing we can do unless there has been a clear breach of a statute.

I would ask the minister and other honourable members, do they not think there is something wrong in Ontario when the president of a trust company walks into the office of a minister of the crown and concocts a story that can only be mercifully described as a cock-and-bull story? Does the minister not think there is something wrong with that? Does the Premier not think there is something wrong with that?

If they do not think there is something wrong with that, I suggest they are kidding themselves. I happen to believe that they do think there is something wrong but they are not prepared to conduct the kind of public inquiry that will ask the tough questions because they know perfectly well that these deals are not exceptional deals, they are part and parcel of a commercial world which has lost touch with the morality of ordinary people.

The Conservative Party is torn and tied and twisted in its own values because it knows in its own way that there is something very wrong with what is happening, but at the same time it knows this is the way of the marketplace and it is loath to interfere with that marketplace though it produces such unfairness and such ridiculous profiteering at the expense of working people. So they concoct a patchwork response, a patchwork response which gives a very limited vision to Mr. Morrison.

Poor old Mr. Morrison will be going into these trust companies and saying, “How did you come up with these valuations?” He will not be

able to get at the nature of the transactions. It will not be possible to cross-examine Mr. Rosenberg and say: "Mr. Rosenberg, what did you know on November 1? Mr. Rosenberg, why did you tell the minister a cock-and-bull story on November 1? Mr. Rosenberg, what were the nature of your plans before you walked into the minister's office and why didn't you tell him about your plans?" Those are legitimate questions. Those are legitimate questions for a public inquiry and I would suggest they are questions which Mr. Morrison is going to have a very hard time asking in terms of the kind of inquiry which the government has set up.

The other major objection which we have to the Cadillac Fairview investigation is that it cannot answer the second basic question and that is, who did exactly what to whom from the time that Cadillac Fairview decided to sell, to the time that the buildings were eventually sold to whoever it is who now owns them? What was the nature and the course and the chronology and the detail of all those transactions?

In order to be able to find that out, the inquiry would have to ask questions under oath and cross-examination, questions not only to the trust companies that were involved, not only on the narrow question of the evaluation of the properties, but on the broader question of the conduct of Cadillac Fairview itself, Kilderkin Investments Ltd. and all of the numbered companies whose identity we know very little about.

I would suggest to the minister I believe that under the law as it has been interpreted in Ontario, those questions cannot be answered and dealt with by the narrow inquiry of Mr. Morrison.

We will see. I hope the minister will give us a simple answer today with respect to this matter: When does he anticipate a report from Mr. Morrison, and is he prepared to make that report public? That is a simple question which I hope the minister will be able to deal with so we can see clearly whether or not Mr. Morrison has been able to deal with these questions.

The second response of the government to the problems that are faced here was to introduce some other changes to the law with respect to the guidelines put forward by the Residential Tenancy Commission.

There was the five per cent solution, which we are still waiting to have proposed by the minister in the House and it is something which we will be considering. I know my colleague the member for Etobicoke (Mr. Philip) will be dealing with that very real question.

The second major change was to change the bottom line, as it were, from three years to five years. Let me explain what I mean by that. The really revolutionary change that this government introduced was to say, "Look, we know there is a lot of speculation going on out there and we know problems have been created and our response to that situation is going to be to require landlords and owners to pay for this speculation over five years instead of over three years."

Because of the pass-through notion which is fundamental to the rent review legislation of the Tories, it is not the landlords who end up paying for the cost of speculation. It is not the landlords or owners who are paying anything as a result of the absurd profits that are being made and as a result of the kind of speculation that is going on; it is the tenants.

The minister says that the tenants, instead of having to pay it out over three years are now going to have to pay it out over five years.

I asked someone to give me some examples of the kind of increases that have been awarded this year by the Residential Tenancy Commission on the basis of the three-year pass-through provision for tenants and to then recalculate that according to the five-year pass-through provision that is now before the Residential Tenancy Commission, so we will get an understanding as to the revolutionary nature of the protection that is being provided to tenants by the Tory government, of just where they are in terms of the protection of tenants.

I have four such examples. At 304 Kingston Road, a small 15-unit building was bought in April 1981 for \$240,000. The date of the decision of the Residential Tenancy Commission was September 16, 1981. The increase allowed with a three-year pass-through was 50 per cent. A mere 50 per cent increase in rent in one year. The increase with the five-year pass-through would be a mere 38 per cent. So all they are going to be paying is more than a third more in a year. It seems like quite a lot to me.

In Mimico, a small six-unit building at 172 Queens Avenue was bought in May 1981. The owner is now a humanitarian known as 380515 Ontario Ltd. The date of the decision was July 28, 1982. The increase allowed was a three-year pass-through of 63.5 per cent. The Residential Tenancy Commission is really out there doing their damndest for tenants; 63.5 per cent in one year. The increase for the five-year pass-through is 55 per cent. What a dramatic change; an eight per cent difference, the eight per cent solution.

A third example is 40 Earl Street, bought in 1979 for \$456,423, with 37 units. The owner is someone with a great deal of personality, who clearly takes a personal interest in the tenants, by the name of 431606 Ontario Ltd. The date of the decision was October 13, 1981. The increase with a three-year pass-through was 23.25 per cent. Whatever happened to five per cent? Whatever happened to six per cent? The increase with a five-year pass-through was 18.25 per cent.

4 p.m.

Finally, the fourth example I want to give is of 34 Gulliver Road, bought in 1981 for \$1,039,812. The owner—again, where do they get these names?—is 375646 Ontario Ltd. The date of the decision was February 25, 1982. The increase with a three-year pass-through was 30 per cent. The increase with a five-year pass-through was 21 per cent. Another eight per cent solution.

Nothing demonstrates the point more graphically than these four examples. Whether it is three years, four years or five years, the bottom line of the work of the Residential Tenancy Commission and the bottom line for the Tory government is that speculation is okay provided it takes place between consenting adults only once in the space of a year. The people who are going to pay for that speculation, whether it is over three years, four years or five years, are the tenants in the province. I want the minister to know that is unacceptable to this party and, I believe, unacceptable to the sense of decency of most people in the province.

There has to be a change with respect to the question of pass-through. I know the member for Etobicoke will refer to this. There has to be a change in the whole question of how the burden of higher interest costs and the burden of speculation are shared between owners and tenants. It is simply unfair to impose—whether one does it over three, four or five years, it does not really matter—the full cost of speculation and high interest rates on tenants. It makes a mockery of the notion of sharing and fairness.

The government response to illegal rent increases is inadequate. There is no reason we should not have a Residential Tenancy Commission with clear investigative powers, with power to bring in penalties, and a retroactive registry audited to catch violators. There is no need to wait. The government can move on the rental registry now. The government can move on the illegal rent increases question now. There is no reason to wait for Mr. Thom. There is no reason for the government to delay. It can act right now. The same applies to the question

of maintenance. There is no reason to wait for Mr. Thom to deal with this entire problem. It is a question that can be dealt with directly by the government today.

In looking at why I believe the people of Ontario have lost confidence in the government, in its ability to provide security and a decent home for them and for their children, I think there are really two issues. The first issue was, of course, the impact rent review was having on tenants, the real problems they are facing concerning maintenance, fairness and security, and the need for a dramatic change of heart on the part of the government with respect to rent review.

The second problem is the overall and broader problem of housing and shelter. There are many in the Conservative and Liberal Parties who have said that by introducing rental control, the government was interfering in the marketplace and was causing havoc as far as new construction is concerned. I know those who took that view meant it very sincerely. They will not find any disagreement in this party with the notion that if one interferes in one part of the market, that may well have an impact on other parts of the marketplace.

But the reason we are in such difficult straits right now is because we have a government that does not have the courage of its convictions with respect to housing and rent review. It is determined to accept the collapse of the marketplace and the fact that large developers have been exporting massive profits south of the border rather than doing their job of building here. The government has accepted passively what has been, in effect, a strike of capital in the rental market and in the housing market for the last two or three years.

The answer, I believe, is a government that accepts the consequences and impact of rent control and is prepared to say to the developers: "If you are not prepared to build housing at rates and in ways that people can afford, if you are not prepared to respect the overwhelming view of people that tenancy and shelter are too important to be left to speculation, too important to be left entirely to the marketplace; fine, we will fill the gap ourselves. The government itself will play a role. We are not afraid of intervention. We are not afraid of the need to provide social housing. We are not going to announce a program such as the the Minister of Municipal Affairs and Housing (Mr. Bennett) announced a few days ago, in which he said, 'We

built 10 houses in Metropolitan Toronto, and that is an acceptable result.”

We believe there is a need to find in the mixed economy a new mix that works in providing for shelter. If the mix the government of Ontario has found does not work—and it clearly does not work—then let us get to work and find a new one. Let us start building some houses and start putting some people to work. Let us start building some proper shelter for the people of Ontario. Let us not get hung up on these phoney ideological straitjackets that have prevented the Minister of Municipal Affairs and Housing and this government from providing decent shelter for the people of Ontario.

I believe there is a very clear choice facing this province. The choice is whether to go ahead in providing decent shelter and in providing for the needs of people—to look at housing not as a commodity but as a basic need—or to continue to be flummoxed, to continue to be paralyzed, to continue to be timid in the face of a situation and a policy that clearly is not working. There is a housing crisis, there is a rent review crisis, and this government has not responded. It is for that reason we in this party have no confidence in the government of Ontario.

The Deputy Chairman: Before the member for Renfrew North (Mr. Conway) begins, I would like to point out to the member for York South (Mr. Rae) that you have approximately two and a half minutes remaining.

Mr. Conway: Mr. Speaker, let me say at the outset it is a pleasure for me to follow the very distinguished member for York South and leader of the New Democratic Party. I do not believe I have had the pleasure of listening to him orate at that length in the time that he has been here. It was quite an interesting, pleasant experience.

Prior to his arrival here from the other place, we used to hear about the particularly warm, convivial relationship that existed between the then Ontario Minister of Labour, the member for York East (Mr. Elgie), and the rising star of the federal NDP caucus then sitting federally for Broadview-Greenwood. I suppose it saddens us to see that happy relationship under such tension and strain in these early days of the member for York South's first session in the assembly.

Hon. Mr. Elgie: Alas, poor Yorick.

Mr. Conway: At any rate, I suppose he might well consult with his distinguished House leader who could tell him how to carry on a relationship with the member for York East through good times and bad.

This party intends to support the motion standing in the name of the member for York South, but not because we agree with its every proposition. Quite frankly we do not, and I hope to be able to use some of the time available to me today to point out how and where we differ with the members of the New Democratic Party in this regard. But as an opposition we are forced to the bottom line, to the central question: Do we or do we not have confidence in the honourable gentlemen opposite to carry on the affairs of government for this province? And of course, the answer to that has to be a resounding negative; of course, we do not.

4:10 p.m.

Mr. Foulds: You did not display that yesterday over Bill 179.

Mr. Conway: The member for Port Arthur may very well be able to take advantage of the two and a half minutes left to that caucus to ventilate his views on this subject.

Mr. Foulds: I will have my opportunities. I will be around here long after you are gone.

Mr. Conway: It may be. I have no such prescience, and I will defer always in those matters to the member for Port Arthur.

The motion standing in the name of the member for York South has, as has been noted by others, a variety of offerings. He has drawn our attention, both in his resolution and in his remarks today, to the whole business of the Cadillac Fairview flip-over. I do not profess to have nearly the expertise of people like my leader, who has from the very opening of this fall session led the attack on this matter in this chamber. Quite frankly, I do not imagine I have nearly the expertise to understand many of the technical components of this issue demonstrated by the leader of the New Democratic Party.

However, it really has been a sorry spectacle that members of this assembly and the public at large in Ontario have viewed over the past six to eight weeks with respect to this whole matter. We are particularly saddened to see the provincial government, particularly the responsible minister, the Minister of Consumer and Commercial Relations, held in such obvious contempt by some of the major players in the private sector whom it is his responsibility to regulate in the public interest.

I was struck by what the member for York South had to say. He had some lovely phrases. I thought I heard him correctly when he talked about an orgy of spurious speculation—

Mr. Rae: Mysterious.

Mr. Conway: Mysterious speculation. I want to thank the member for clearing that up. I have always felt that is perhaps a good way to describe it.

I would share with the member a bit of related information about some of the interconnections. I do not want people to think I have become paranoid or anything, but I was told just yesterday by a reporter with the Kitchener-Waterloo Record, who phoned me to report, in case I did not know about it, there was recorded on the 1981 election returns for Kitchener city a \$500 contribution to one Morley Rosenberg by none other than Mr. William Player. So it seems the Player-Rosenberg connection is a multifaceted one.

Enough said from this quarter about the Rosenbergs, although I—

Hon. Mr. Elgie: QC.

Mr. Conway: Well, I do not know whether Leonard is QC or not. However the member for Kitchener (Mr. Breithaupt) said it all and said it well when he told us the Rosenberg brothers, Morley and Lenny, have done more damage to the Davis government than Frank and Jesse James ever did to any rural bank in the latter days of the 19th century.

Hon. Mr. Elgie: You enjoy that line every time you use it.

Mr. Conway: I thought it was a good indication of the member for Kitchener's wit in these matters.

But I agree with the member for York South when he talks about the seriousness of the contempt in which some of those people, mainly Mr. Rosenberg, held the minister and, through the minister, the government and the people of Ontario in those transactions. There was a truly pathetic quality in the minister coming back into this House to tell us, "Yes, Mr. Rosenberg indicated that their plans were essentially to lay some new carpets, make other minor readjustments, and that was basically it." All the while a very cleverly worked out, multifaceted flip-over was well in place.

I have too much respect for the integrity and capacity of the Minister of Consumer and Commercial Relations to want to believe he will continue to allow himself to be bullied by those private sector pirates. In this instance they have held both the minister and his government in quite a high level of contempt in the public domain. As has been pointed out, the efforts thus far of the opposition to secure answers to this chicanery have proved relatively unsuccessful.

If I needed a good reason for extending my want of confidence in this government in this regard, could I possibly find one better than what we witnessed here on Friday, November 19. After days of the Minister of Consumer and Commercial Relations being under attack, trying his best to clear the air and, in his own way, to protect the tenants, we had the spectacle of the member for London South (Mr. Walker), the Minister of Industry and Trade, standing in his place and denouncing the member for York South. He said: "What a nattering nabob of negativism is the member for York South for being so hard on these Saudi investors. Surely the member for York South and the members of the assembly generally will want to stand triumphant in their places and welcome with me this kind of foreign investment."

Is that the majority opinion in cabinet that is making the life of the Minister of Consumer and Commercial Relations so difficult and his policy so unsuccessful? The utter nonsense, the transparent stupidity of anyone, much less a minister of the crown, standing and saying: "Let us welcome the Saudis. I hope they will buy every rental unit in the province." I would like to believe, if nothing else, that from that day until now the good doctor, the member for York East, has taken that recreant soul from London and scolded him not once but often for this kind of absolutely ludicrous position.

I really wonder who speaks for the majority in the Conservative government of the Premier (Mr. Davis). There are days when I really think the member for London South probably spoke for more than just himself in lamenting the failure of the community at large and of the opposition in particular in not welcoming the Saudis with open arms.

We have seen over the course of these past few weeks the efforts of the Minister of Consumer and Commercial Relations to respond piecemeal, after the fact, often in a very incomplete way, to the crisis that is affecting the lives of hundreds and thousands of Ontarians living not only in Metropolitan Toronto but elsewhere in Ontario. I could not agree more with the member for York South when he underscores the seriousness of this issue. Maybe for those of us who have our rents paid by the good people of Ontario there is not the measure of concern there ought to be, but I just hope everyone from Prince Edward-Lennox to Lakeshore, from Sarnia to Durham-York, appreciates the gravity of this issue.

We have, of course, the minister's Bill 198, the

rent restraint bill, about which my colleagues, particularly my friend the member for Waterloo North (Mr. Epp), will have a lot more to say in the coming days, weeks and, dare I think, months of this fall and winter session.

4:20 p.m.

I would quickly highlight a concern about some of the inadequacies of Bill 198. It concerns us that it limits the portion of a rent increase attributable to refinancing to five per cent and that increases due to operating costs are not limited. It has been the position of this party there ought to be a flat five per cent freeze on rents, certainly for the course of the control year that is the centre of the Treasurer's Bill 179.

Speaking to clause 2(b) of Bill 198, applications made before October 31, 1982, that have not yet been heard are only confined to the five per cent limit if the building has been purchased at least twice in the three-year period from October 31, 1979, to October 31, 1982.

The minister shakes his head and says I am wrong. He will want to correct the error. There are a lot of us who have read this bill and who have tried to understand its exact import. Quite frankly, it leaves a lot of uncertainty. How many buildings are going to be affected by this Bill 198? Can the Minister of Consumer and Commercial Relations, in his forthcoming way, answer that in his response to these remarks?

How many of the 22,655 applications received by the Residential Tenancy Commission by October 31, 1982, but not heard, will slip through the cracks, unprotected by this legislation, because there was only one sale during the three-year period mentioned above?

The fact the bill comes into force on the day after it receives royal assent creates difficulties for commissioners who are forced to deal with cases in the interval. This may be, as some of my colleagues have pointed out, a clever political strategy but it certainly will not effect protection for the tenants of Metropolitan Toronto and elsewhere who seek the protection this bill offers in the minds of some.

It strikes us in the Liberal opposition that if the Conservative government is truly interested in protecting tenants in this province, it will want to move very quickly and completely in bringing forward and ensuring the speedy passage of Bill Pr13 standing in the name of the member for St. George (Ms. Fish), the parliamentary assistant to the Minister of Citizenship and Culture (Mr. McCaffrey).

The bill concerns demolition control in the city of Toronto. It seems to us if the Minister of

Consumer and Commercial Relations is really serious he will not only see to it that the municipal authorities in the city of Toronto are given the kind of power they want vis-à-vis demolition control but that other municipalities across the province which seek that kind of protection will have the benefit of it as well.

As I said earlier, there are a host of other concerns we have with respect to what has gone on here. Under the capable and determined leadership of the member for London Centre (Mr. Peterson), this party will continue to lead the fight in this assembly and outside this building for strong and sensible protection for tenants in this province.

As the member for York South would agree, his resolution deals with other things. I want to talk quickly about one of the matters raised in his want of confidence motion dealing with the government's failure to introduce a tax on speculative transfer of land and housing. I want to deal with one aspect of that. It is an aspect that has been repeatedly and effectively spoken to by my distinguished colleague the member for Huron-Middlesex (Mr. Riddell). It has to do with the government's negligence over these past five or six years in not closing a loophole in the land transfer tax as it affected foreign ownership or the takeover of good agricultural land by nonresidents of this province and this country.

We have listened over the years to the answers given by the member for Lambton (Mr. Henderson) and others in the government, saying: "It is not a very serious problem. It is only one per cent. What is there to be concerned about?" As the member for Huron-Middlesex has very effectively pointed out, in the great ridings of Huron-Bruce and Huron-Middlesex the rate of takeover of agricultural land by nonresidents has been far greater than indicated by successive ministers of agriculture. It is something about which action ought to have been taken not months, but years ago.

I just want to add a bit of personal commentary in this respect. I have listened to my colleagues strike out against ministers of agriculture and from time to time against the Minister of Revenue (Mr. Ashe) about their failure to close that loophole. I think—and I say this advisedly—they have somewhat misplaced the blame. I know it to be the case on very good authority that the Minister of Revenue and the current Minister of Agriculture and Food (Mr. Timbrell) to his credit—and after Saturday's Toronto Star, I feel I really have to give credit;

maybe more credit than is due him—have vigorously argued in the executive council for this kind of action.

I wonder if honourable members over there or over here know who has resisted this for months, if not years. I understand that for years the Treasurer (Mr. F. S. Miller) has argued, at times violently, against the closing of that loophole. I do not find that surprising, but it is, nonetheless, dismaying. I understand from time to time in cabinet committees it has been the Treasurer who has said: "No, you are not going to send out that kind of wrong signal to foreign investors. I do not want anything done to our land transfer tax that would create a wrong environment."

Mr. Philip: It was the Liberal Party that voted against disclosure.

Mr. Mackenzie: They do not like to be reminded about that.

Mr. Conway: If the member for Etobicoke wishes to indulge himself and not spare himself his two and a half minutes, that is his prerogative. As always, I look forward with eager anticipation to hearing an intervention from the member for Etobicoke, the former chairman of the justice committee.

Mr. Mackenzie: Why did the member vote against disclosure?

Mr. Conway: I have too much respect for my friend and neighbour, the member for Hamilton East (Mr. Mackenzie), to engage him in this kind of parenthetical debate.

It probably tells us an awful lot about the thinking of the economic ministers, at least, in this government that the Treasurer has for years fought against the kind of amendment that was finally brought into this House last Friday. It makes one think the Treasurer and the Minister of Industry and Trade are as one in their attitude to foreign investment. If the Saudis want to buy 100,000 units of our rental stock in the name of good foreign investor climate, so be it. If the West Germans, the Dutch or the Austrians want to buy every single acre of prime agricultural land in Huron county, let that happen before we introduce legislation that would somehow send out a wrong signal to the foreign investor community.

Is that the attitude, as I believe it to be, among the principal economic ministers of the government under the present Premier in the late fall of 1982? Because I believe it to be, I cannot but come to the conclusion this is a government

that has lost the confidence of this assembly and the public at large.

4:30 p.m.

In his resolution, the member for York South draws our attention to the fire sale of the land assemblies. Here I must say that the member for York South and I have a rather definite and distinct difference of opinion. That is not because I think any government in the discharge of its public responsibility ought to fire sale anything. I do not in any way want to leave a wrong impression.

One is forced to worry, though, about how the government is going to sell these properties for anything like the values it paid since members of my caucus, such as the distinguished member for Brant-Oxford-Norfolk (Mr. Nixon) and the member for Haldimand-Norfolk (Mr. G. I. Miller), who know the intricacies of these matters in far greater detail than I do, tell me that back in the halcyon days when money was plentiful, in the early 1970s, John White and Darcy McKeough, in the names of the member for Mississauga South (Mr. Kennedy) and the member for Algoma-Manitoulin (Mr. Lane), threw money at those land purchases like there was no tomorrow.

It may seem as though there is going to be a fire sale, but one really is going to be forced into a clear recognition of the kind of irresponsibility the government of the day, led by the current Premier, indulged in some 10 years ago. The member for York South will not recall, for the good reason that he was elsewhere, that we have from time to time, and I have occasionally, raised the issue of the sheer stupidity of these land assemblies—not in all cases to be sure, but let me use a couple of my favourite examples.

I know the member for Carleton East (Mr. MacQuarrie), a distinguished municipal luminary and an upwardly mobile back-bencher—

Mr. Roy: Cabinet minister-in-waiting.

Mr. Conway:—cabinet minister-in-waiting will privately, if not publicly, want to agree with me when I say that the member for Ottawa South (Mr. Bennett), the present Minister of Municipal Affairs and Housing, was never more right than in what he said eight years ago, upon the arrival of the news that the government of Ontario was about to spend—and I would not want to be held to these figures—something like \$8 million to buy 2,000 or 3,000 acres in the area of the great eastern Ontario community of Prescott, \$8 million to buy X thousands of acres in the Edwardsburgh area.

What did the member for Ottawa South say?

Let me refresh the memory of the member for Carleton East, who probably has the Carlsbad Springs assembly in his own backyard. The member for Ottawa South, who was then a Premier-in-waiting said, "They must be off their nut," if they want to buy that for those purposes. For once in his parliamentary or political career that member was absolutely and wholly correct, and they should have listened to him.

I cannot agree with those in the New Democratic Party who invite us to condone that kind of fiscal and planning irresponsibility. I invite the member for York South to come and listen to the former leader of this party, the member for Brant-Oxford-Norfolk, with whom I know he shares a particularly creative relationship in this House, recite chapter and verse of the insanity that is Townsend. Really and truly it is as though it were out of some kind of science fiction novel.

If the colourful and creative member for Sarnia (Mr. Brandt) were to write that in novella form and take it to the local publisher in the Bluewater Beach area from which he hails, I am sure a reasonable publisher would laugh him out of the office.

As the member for Brant-Oxford-Norfolk or the member for Haldimand-Norfolk would be quick to point out, onward this government marches, determined to prove John White's vision of 1971 and 1972. My God, as a Mackenzie King Liberal, I have some respect for the power of vision in politics, but I want to make it clear that John White appears not to have the benefit of a Mackenzie King vision—

Mr. Rae: Only those with crystal balls will know for sure.

Mr. Conway: As the member for York South points out, only those with crystal balls will know for sure. I see, by the way, that the new Conservative Premier of Saskatchewan has taken to psychics; given the conduct of some of his caucus, I am not surprised at all.

Almost in anticipation, the good Dr. E. E. Stewart, whose office seems to be most unhelpful these days in answering our inquiries about Order Paper questions, sent to me today through the Minister of Municipal Affairs and Housing, the member for Ottawa South, answers to a whole series of my questions standing on the Order Paper, numbers 405 through to 416, which outline the whole current status of land assembly in this province. It is a joke.

If the member, the distinguished agriculturist from Durham-York (Mr. Stevenson) does not believe me, I will see to it that he gets a copy,

because he will not know whether to laugh or to cry.

I note, by the way, and it is not something that is altogether new, that the Edwardsburgh assembly now is off the books of the Ontario Land Corp. It has gone to the Ministry of Natural Resources eight years later as proof positive that the Minister of Municipal Affairs and Housing was right. According to this, by the way, the Ontario government now has spent \$54.3 million in Townsend and I understand, according to the member for Brant-Haldimand-Norfolk, there may be about 40 or 50 lots sold and 30 or 40 houses, but no more than that.

It is very interesting to read, and I am not going to make much of this, the current use of the land holdings 10 years after most of them were bought. The phrase that shows up on the right-hand column, "current use of land holdings," is the Ontario farm lease program.

I do not know the specifics of John White's dream, but the reality 10 years later is that Holstein cows are pasturing across the vast expanses of the multimillion-dollar dream that was concocted by the great planner of this government.

When I go to Woodstock, Grimsby and Napanee and I read in the local papers about all these Tory members beating breasts about what good things we do in the name of restraint, I wonder how in Unionville and in Markham and in all those other wonderful places, they can mouth, and I quote Irving Layton, such "nauseous craperoo," when the facts of the case—

Mr. Cassidy: How do you spell that, for Hansard?

Mr. Conway: It may be that it is not parliamentary; but I mean, how can the member from Prince Edward-Lennox (Mr. J. A. Taylor) go to Napanee or Wellington or wherever it is in that beautiful constituency from which he lately hails, and say that this is a government serious about restraint, when it is prepared to continue to condone multimillion-dollar expenditures—\$54 million—so that cattle can pasture across the reaches of the land assemblies that John White paid for with money that we could very properly and much more effectively use for the kind of affordable housing that we in the Liberal Party would like to see built.

Mr. Sweeney: That is even more than they spent on Minaki.

Mr. Conway: The member for Kitchener-Wilmot (Mr. Sweeney) taunts me, he taunts me.

Mr. Rae: He does that to all of us.

Mr. Conway: Maybe. I was in Grimsby the other day—and I am speaking to the reasons why my colleagues and I do not have and cannot have any confidence in this ragtag coalition, at one time so far right that they are unspeakable, and on other occasions, with the good doctor from York East, tilting in a pinkish left in direction, going the other way.

4:40 p.m.

I was in Grimsby the other day, the day after the Provincial Auditor's report came out, and there was the parliamentary assistant to the Minister of Energy, the member for Lincoln (Mr. Andrewes), in the local pages of the Grimsby Independent—a journal that I know all members read carefully and regularly—quoted as saying that they were a wonderful government; that they were the people and government for restraint.

That was 24 hours after the Provincial Auditor drew to our attention—shades of John White again—what the Ontario government did to secure a \$500,000 investment made through one of the development corporations in the cause of Minaki Lodge in the intervening eight years. I know the member for Ottawa East has the answer on the very tip of his tongue and at his fingertips.

To protect an investment of \$500,000, these models of restraint—Mr. Speaker, so that you are under no wrong impression the next time you speak to the chamber of commerce in Markham, they spent, in your name and mine, these restraining fellows, an additional \$44.6 million.

Mr. Sweeney: That's called good management.

Mr. Andrewes: You be careful or we won't invite you back to Grimsby.

Mr. Conway: Who could have confidence in a government that is capable of that kind of mismanagement?

I see the member for Lincoln is here. If he wants to join me at the Polish Alliance hall in his great riding to debate the Minaki issue, let him stand advised that I am eager and anxious to have him do so. I like that part of the province so much that I would give a night of my parliamentary career for a public debate with the member for Lincoln on his government's record on Minaki.

Mr. Andrewes: I didn't get invited to your party.

Mr. Conway: My God, to spend more than \$44.5 million to protect a \$500,000 investment is really some testament to the vagaries of restraint.

But I have not even got to the great question: are there beds at that joint yet? The last time we checked, they had spent about \$30 million and, God forbid, I had to tell the people of the Ottawa Valley: "Don't go yet; they won't have a bed for you. You had better take a sleeping bag. Don't count on a bed."

I know the member for Algoma-Manitoulin, with his very fine resolution on the Order Paper, will want to agree with me that this certainly is not the kind of example that he or I want to set to the good burghers of Espanola or elsewhere in his great constituency.

It is very difficult, if not impossible, for reasonable people in this House, or outside, to vote confidence in a crowd that is given to such fits of misadventure, misappropriation and wrong-headedness.

Before I lose my track in this particular—

Mr. Sweeney: There are so many tracks he can go on to get at you guys he can get lost in them.

Mr. J. A. Reed: It is a very broad field.

Mr. Sweeney: There are tracks going in every direction.

Mr. Andrewes: I didn't see this speech in the Grimsby Independent.

Mr. Conway: I just wanted to highlight, on behalf of my colleagues, some of the differences between ourselves and the New Democratic Party in that respect.

Mr. Cassidy: There are no differences between you and the government, we know that. You are like two peas in a pod.

Mr. Philip: Talk about tenants for a change.

Mr. Rae: You should be lying on a couch for this identity crisis.

Mr. Conway: Mr. Speaker, I want to indicate to my friends, if it is their position that they condone the likes of Townsend and Edwardsburgh, that it is a position I am happy to let them have.

I want to take advantage of the resolution of the member for York South to point out once again why we think the land assembly policy of the Ontario government by and large has been wasteful and ill-conceived and exemplifies some of the most outrageously bad management I have ever seen in my time around this place.

Because a want of confidence motion is an opportunity for members on all sides to address a variety of issues, I want to move beyond some of the specifics of the resolution to explain why it is on other fronts that we think the time has

come to end this dynasty at 39 years, five months, two weeks or whatever.

I have already indicated our concern about the shambles in which the the Minister of Consumer and Commercial Relations finds himself. I note that he has gone out of his way to tell the House and the community beyond that the Liberal research in this respect has been excellent—so good that he wants to take advantage of it in terms of resolving the issues that bedevil his daily life.

I want to agree again with the member for York South, who in his comments quite rightly pointed out the inadequacy of the many investigations that have been triggered by the government opposite. We have the Thom inquiry, the Morrison inquiry—

Mr. Philip: Why didn't you agree in 1977 when you could have done something about it? Why didn't you agree when you could have made a difference?

Mr. Conway: If this continues, Mr. Speaker, I will have to invite you to calm the troubled waters of Etobicoke whose member's apoplexy I am interested to watch, but only in his two and a half minutes.

The member for York South made a good point when he indicated that the patchwork of inquiries is not going to get at many of the essential questions that have to be dealt with. My leader and others in this party have consistently invited the minister to move forward with a full public inquiry so that we leave no stone unturned, so that we can secure all the necessary information in some kind of co-ordinated way.

In recent months in this Legislature we have seen the inadequacy of some of the inquiries that have been sent off to do good works. I am very fearful that the seven different inquiries that the minister has triggered or is in some way associated with in this connection—the Thom inquiry; the Morrison inquiry; the Residential Tenancy Commission; the SWAT team that is at work, about which I know the good doctor has opinions; the internal ministry team; the Attorney General's activity; and, of course, the Ontario Provincial Police—this kind of crazy quilt is not going to get us all to the bottom of this malaise and this miasma at an early time. I believe, as my leader has indicated, that we have to move much more expeditiously through a public inquiry.

In talking about other issues that the Liberal opposition views as central to want of confidence in this government, let me quickly touch

upon some we think are important. I have to say this with a bit of parochial interest. I regret that the member for Leeds (Mr. Runciman) is not here. I want to say to the member for Sarnia, who will act as a high-priced courier in this connection, that it was with no little bit of interest that I read the December 1 edition of the Gananoque Reporter the other day, wherein the poor member for Leeds tried to explain the conduct of himself and the other eastern Ontario Tories who did not agree to the excellent resolution standing in the name of my colleague the member for Prescott-Russell (Mr. Boudria); the resolution that drew the government's attention to the gravity of the economic situation in eastern Ontario.

Communities such as Hawkesbury have been devastated by this recession. Communities such as Bancroft have been devastated, not so much by the recession as by the specific action of the Ontario government, about which the member for Hastings-Peterborough (Mr. Pollock) has squealed most plaintively and got precious little by way of redress or sympathy.

4:50 p.m.

What does the member for Leeds say to the Gananoque Reporter? Let me quote from that illustrious journal of December 1: "Runciman Questions Motives of Liberal Call for Debate." He charged that, of course, the Liberals were really playing politics. They did not mean what—

Mr. Rae: Take politics out of the Legislature, there is no place in the Legislature of Ontario for politics.

Mr. Conway: I will let that stand on its own merits.

The member for Leeds accuses the Liberals of playing politics. The member, who was and still is from time to time an independent spirit, unlike others opposite, charged that if the motion had been sincere, it would have been brought in earlier in the week to give the Conservatives time to consider it. Given more time, he felt the Conservatives might have supported the motion.

I have already invited the member for Lincoln to join me in his great constituency to debate the merits of Minaki Lodge. Let me now invite the member for Leeds to reintroduce the motion of the member for Prescott-Russell, if that is what he wishes. Let him or any of the other trained seals in the Conservative eastern Ontario caucus—

The Deputy Speaker: Is that parliamentary?

Mr. Conway: No, it probably is not, and I withdraw it, Mr. Speaker.

Interjections.

Mr. Conway: Let me say in all seriousness, for the benefit of the member for Carleton (Mr. Mitchell) and for the benefit of the member for Carleton East, if those honourable members opposite feel they were somehow duped, if in their heart of hearts they really want to do something for their poor, bedraggled, betrayed, defeated, hard-done-by colleague the member for Hastings-Peterborough, let them introduce the motion of the member for Prescott-Russell and we will all stand in our places before New Year's Eve and bring the full weight of this Legislature to bear on that issue of urgent and pressing necessity.

But if the honourable members opposite, particularly the good Conservative caucus from eastern Ontario, think they are going to get away with that kind of tactic, then they are very much mistaken. I consider it quite beneath the dignity and the intellect of the member for Leeds to suggest so preposterous a thing to any journal, least of all to so distinguished an eastern Ontario paper as the Gananoque Reporter.

I want to say in all seriousness—I believe I have five or six minutes left—that in recent days we have heard remarks from the Treasurer and other members of this government that disturb us very greatly.

I do not know whether the member for Nickel Belt (Mr. Laughren) heard what the Treasurer said today, but I heard the Treasurer in an intervention. He said about the charge of incompetence that was levelled by the member for Nickel Belt against the Treasurer—and I can almost quote him directly—"I may well be incompetent, but at least I have had the chance to stand in my place as a leading member of this government and demonstrate my incompetence."

What kind of confidence does that instil in those of us who are invited to consider the confidence this assembly has in this government when the Treasurer himself stands cheerily in his place and admits to incompetence willy-nilly?

In the midst of this ever-worsening recession, what did we hear from the Provincial Secretary for Social Development (Mrs. Birch)? What did we hear about days ago in this assembly in response to a question about the thousands of people in this province, known I suspect to every single member of this assembly, the single elderly, most particularly single women at or beyond the age of 60? The Leader of the

Opposition, my colleague the member for London Centre, stood and cited recent reports that pointed out painfully, but none the less realistically, just how many of those people are well below the poverty line in this province.

Why would a minister of the government of the member for Lakeshore (Mr. Kolyn) and the member for Oxford (Mr. Treleaven), a government that from time to time admits to social conscience, not act in her capacity as provincial secretary and bring forward legislation that is spoken of in a resolution standing in the name of my colleague the member for London Centre. He cites, and I will simply point it out, "That, in the opinion of this House, the government move without further delay to deal with the immediate and urgent needs of senior citizens, particularly the single elderly, by increasing the level of Gains payment to bring their incomes up to at least 60 per cent of the income level of a married couple" etc.

What did we hear? We heard the Provincial Secretary for Social Development say, "Oh really, there is no problem." She did not hear people complaining. She did not hear 67-year-old, single women living in rural Renfrew county. They were not writing her by the score to complain about the terrible conditions in which they find themselves. She would have us believe they are all very pleased with the level of income afforded by the current government.

Quite frankly, the minister went on to suggest that there were many others in the community who were perhaps worse off. When asked, I believe by a Canadian Broadcasting Corp. reporter to name some, she began by saying, "Well, there are unemployed executives."

Nothing concerns me more on my weekend trips to my constituency than having without fail to go see these people, who are not living in subsidized housing, largely because many of them are in the rural hinterland, and who would never think to write a letter of complaint to the Ontario government; women who are widowed or who are single, many of whom are not well, many of whom live in perfectly wretched housing; women who are alone, who are fearful, who face this recession with great worry.

When I see the way we spend money in this place, the way we look after ourselves and all our friends, it sickens me. There is no other word I can use. It sickens me to have to look at some 63-year-old widow in a place like Madawaska and say: "We have no more for you. We have \$45 million for Minaki Lodge, but we have no more for you." That sickens me, it upsets me

and it angers me. I have to believe that there is sufficient social conscience in every single member of this assembly to do something about that, not only in housing but also in income maintenance.

I say this, quite frankly, on a personal more than a political note. I know we are sometimes probably a little too rough on the Provincial Secretary for Social Development—her sensitivities are aroused in ways that sometimes concern me personally—but I have to say to her, in her absence, regrettably, that the answers she has tendered in this assembly over these past few weeks are wholly and transparently inadequate, and no government that aspires in any measure to a progressive mantle can live with the shame, which is the shame of our system, that affords so little support to those so very desperately in need.

The Speaker has drawn my remarks to a close by citing the time, and I want to conclude by simply saying that for these and other reasons my colleagues cannot vote confidence in a Conservative government that has been ridiculed and held in contempt by the likes of Lenny Rosenberg, William Player and the Kilderkin crowd. We cannot condone their hands-off attitude to the economy of this province, which worsens hourly in the face of the pitiful reaction today of the Treasurer. So it will be without hesitation, with not the slightest fear of contradiction or concern, that we will stand in our places today and vote against confidence and vote for this motion.

5 p.m.

Hon. Mr. Elgie: Mr. Speaker, after such a delightful oratorical orgy, you will surely be disappointed to learn my remarks will be brief. I like to think the time taken up recording a lot of this stuff is probably a cost we should look at, as well as the things that the member for Renfrew North has been pointing out.

I understand what he had to say was important. I understand very little of it was addressed to the motion before the House and I do not know the significance of that. Perhaps the member does, and perhaps at another time and place he will choose to answer that question. Or will he? Is he shaking his head? Perhaps he does not want to answer.

As the distinguished member for York South spoke, a member for whom, as the member for Renfrew North pointed out, I have had the greatest respect over the years, and I will continue to have it, I think; no, I will—one has to be what one is in life and he is what he is in

life. Mind you, as the hands went, I thought, "My God! Is it a rapier?" But no, it was a shotgun and I thought: "Relax; he only brings calendars in that way, so I am safe."

Maybe we can join it all together and call his address today the calendar gun approach, in which one shoots at everything and one is not quite sure. But mixed in it all there is a bit of overstatement, a bit of exaggeration and a bit of selective disregard for facts.

I have sat here on many occasions and enjoyed the fervent way in which the member for York South and some of his party have spoken against what happens to society in lean times that tend to breed mean times. I have listened to stories about the problems that can be created in society when we seek scapegoats. I believe that.

Therefore, it troubles me if there is any intonation or any suggestion from the remarks we have heard today that he—and I use this word with a degree of regret—revels in the polarization that some of these issues create. I know in his heart he does not want a society that is polarized and he does not want to single out scapegoats. But I have to be concerned when he stands up and says, "What are we going to do about the fact that there is no way to deal with improper maintenance? The Residential Tenancy Commission cannot deal with it."

Certainly they cannot deal with it. He knew that when he said it. He knew the only power they have is to reduce rents, if there is evidence of inadequate maintenance. He also knows the portion of the act that would have allowed the commission to deal with that was struck down by the Supreme Court. He also knows the Landlord and Tenant Act has specific sections dealing with improper maintenance.

So it troubles me when he says there is nothing to deal with these things because he knows there is. It troubles me when he stands up and talks about the residents of Chequers Place having to go through a 42 per cent increase. He knows and I know, and I trust everyone in the room knows, that may be what the application was for. He knows that amount is rarely granted and, specifically with the new guidelines introduced and with the proposed bill that is before this House, that it is highly unlikely such an amount would be granted.

He knows that as recently as last week one application for rent increases in the range of 26 per cent was withdrawn, presumably as a result of some of the endeavours we have introduced. To stand up in this House and quote ranges

based on 42 per cent was not, I hope, intended to mislead some people in this room to think those were the rents they would be asked to pay. Those are the rents that have been submitted as a request on behalf of the landlord. What will be awarded is a matter for the commission to decide on the basis of evidence presented.

I was also a little concerned when he said that, to me, one sale did not matter. That is interesting, because the guidelines introduced deal with one sale and extend the phasing-in time. One part of the bill introduced deals with one sale. To say I do not care about one sale, that I care only about multiple sales—it is nice to say and it would be nice to record in some dictionary or some movie for some other purpose, but not for this purpose because it is not true. I have demonstrated in the steps I have taken that I do care about one sale.

I guess what we are really saying is that this is a complex problem and I have tried to approach it the way I would all problems I approach in life: from a solid starting point. My starting point has been the legitimate protection of tenants in the problems they are facing, particularly today, with the problems of interest rates and the problems of rents that seem exorbitant and that in many cases are exorbitant.

In the particular issue before us now, the issue of the Cadillac Fairview sale, we have to face that when we have a fast-moving issue as big as that one, and it hits the press, there has to be a period of time for a government to consider the problem and the appropriate reaction.

I submit that this government moved with remarkable speed to protect Ontario's tenants while it considered the long-term issues that were involved, and had a public inquiry commission set up to review the whole issue of rent review and its adequacy in terms of protecting tenants, and in terms of the legitimate interests of landlords.

I first talked about this issue on November 4. On November 16 I issued a statement in the House indicating the steps we were going to take, and on December 2 I introduced legislation. Guidelines became effective on November 16. I hardly call that delaying. I suggest it is the response of a government that has very real concerns about the rights and concerns of tenants.

The member for York South may think he is the only one in this House who has experienced anger or concern over this kind of quick-flip market, designed, as I say and as he said, to sock it to tenants and to maximize profits for owners.

I can assure the member, when it comes to responsible concern for these issues—and unfortunately the role of government is to react responsibly; when one is on the other side one does not always have to do that—he will be a long way behind me in his concerns about the legitimate rights of tenants and in the way they have to be dealt with responsibly.

I say that quite sincerely. He may impress some people with this slight exaggeration, this slight distortion, but not me. And it does not help me very much in getting at the answer to the problem.

This government, quite frankly, is not opposed to responsible free enterprise. No one has suggested it is. But what we are very strongly opposed to, and what the steps I have taken indicate very strongly, is that we are opposed to speculators and opportunists who would take advantage of market conditions and the law to line their pockets at the expense of tenants.

Let me deal with the major points of this motion one by one. First, the member accuses this government of failing to launch a full investigation into the Cadillac Fairview sale. I do not know where he has been. I have indicated very clearly that the Morrison inquiry under section 152 of the Loan and Trust Corporations Act, which has the powers of part II of the Public Inquiries Act, will proceed to investigate the named companies and the general conduct of their business.

I have also made it very clear to this House that if other steps are indicated and are necessary, they will be taken. There should be no doubt about that, and they will be taken quickly and responsibly.

As may be recalled and as other members have mentioned, the other inquiry is to have, for the first time, an independent review as to the adequacy and appropriateness of our existing rent review legislation and to make recommendations. During minority government, we have all had interesting times in committee dealing with rent review legislation, but it is important now that we have an opportunity for an external objective evaluation of the system, some recommendations, some review of those. As I have indicated to the House, my hope is that we would be able to introduce legislation next fall in response to that report or in response to interim portions of that report.

The member for York South talks of "evidence of massive profiteering and misleading information." I would submit that we have now made profiteering endeavours in this area unprof-

itable. The evidence is pouring in about that. I have heard two or three stories now of sales that have not gone through because of the guidelines and the proposed legislation.

Last week I mentioned to the member for York South one case where the application for rent increase was withdrawn. So let not anybody be fooled into thinking this was some slap-on-the-hand step this government took. It is very serious, and is looked on seriously, as an intention of the government that it does not tolerate the kind of quick flipping we have seen in the past few months. The motion goes on to attack those guidelines and to suggest that perhaps they are nothing more than a slap on the wrist. I think they are important enough to bear repeating.

5:10 p.m.

First, let us recall that the time when financing costs on a sale may be phased in is now extended from three to five years. If there has been a sale of the property within three years prior to that time, those financing costs may be set aside and may not be considered until such time as the original ones have been completed.

I look on those as hard-hitting, important and supported by the bill I now have before the House which would put a cap of five per cent on any financing costs related to any sale.

What that means in layman's terms is that the new owner of an apartment complex will not be able to break even on his financing costs for up to five years. Further, if there is a series of quick flips or resales within three years of the original sale, this period of controlled pass-through can be extended far beyond.

I would also point out a further new guideline indicates that additional interest charges resulting from those control guidelines and not covered by approved rent increases may be disallowed as a financial cost. I suggest that move knocks the stuffing out of any effort to profiteer.

The motion before us talks of our failure to introduce comprehensive rent review legislation. One might ask where the member for York South has been. Surely his view from Parliament Hill in Ottawa allowed him to know and to see that we have had comprehensive rent review in place in this province for seven years and I believe it has served us well.

That does not mean this government or this Legislature has said it should never be looked at or reviewed. It was reviewed in 1977 and 1979 and further amendments were added to it. During my term as minister in the past nine months, other changes have taken place with respect to conflict of interest guidelines for

commissioners, retention of the six per cent guideline, increased funding for the commission because of the backlog that had developed and, finally, with respect to the issues that are before us now, there has been consideration of those issues going back to last August when I met with commissioners to talk about the problem of sales and whether there was any way they could deal with them and address them appropriately.

The member for York South is disturbed by the temporary nature of the legislation I have introduced, sunsetting as it does at the end of 1983. That conveniently overlooks my stated view that I expect to have comprehensive legislation introduced in this Legislature next fall before the bill expires.

As for the motion's uninformed attack on this government's approach to housing issues, other members will speak to that position.

The motion also calls for new laws requiring full and open disclosure of the identity of owners and shareholders in the companies involved in deals such as the sale of the Cadillac Fairview buildings. If one did not know any better and had not read the paper this morning, one would think there was nothing in place that would allow the Residential Tenancy Commission to find out who the owners were. In that case, when the information was not available and was not given to the commissioner, he disallowed the costs.

The member for York South may talk about the puny little things the commission can do, but if he looks on a 50 per cent reduction in the rent increase as a puny step, then he had better get another calendar and try a different year. That is not what the public sees and it is not what I see in terms of the effectiveness of the steps that have been introduced.

The motion concludes with the sweeping claim that this government has failed to recognize the importance of affordable housing as a fundamental human need. When we introduced rent controls in 1975, it was to protect tenants from exorbitant rent increases. That is why we have monitored and revised it and that is why we will continue to do so as it is deemed necessary.

I know other speakers will expand on the long-standing involvement of the Ministry of Municipal Affairs and Housing in the stimulation of construction in the housing industry, but I submit that for the purposes of this motion it is an uninformed and inaccurate motion. Again, the member for York South has fired his calendar and none of it has hit the target.

I ask the members of this House to support

the government in this motion and to give full confidence to it.

Mr. Cassidy: Mr. Speaker, in view of the limited time available, I am also speaking on behalf of our housing critic, the member for Etobicoke. I am very sorry that the Minister of Municipal Affairs and Housing did not deign to grace this House with his presence during the course of this debate, because what we are talking about relates not just to the Minister of Consumer and Commercial Relations, but also to the Minister of Housing and to the Attorney General (Mr. McMurtry).

This is a problem across all of Ontario. If the Minister of Consumer and Commercial Relations thinks there is no problem, that it has been solved, let him know that in Ottawa we have 2,500 people on waiting lists, right now, for social housing, who cannot get in because nothing is being built. We have a vacancy rate which, under the Conservative rule, has dropped to two tenths of one per cent—two apartments in every 1,000 are available.

We have a regional welfare department which can no longer offer emergency shelter to people who are not on welfare. Places like Interval House cannot provide accommodation for battered wives because they have no space available. And people cannot move out of their accommodation because no affordable housing is available.

We have rents that have doubled in three years under rent review. We have apartments renting at more than \$1,000 a month in my riding right now. It keeps on and on, and somehow the government does not believe that there is enough of a problem that any action should be taken.

We have tenants in condominium or pseudo-condominium situations who are being forced out by speculators and developers who want to make a fast buck rather than leave people in decent family accommodation.

In the time I have available what I want to say is this: We have three ministers who are meant to be responsible: the ministers of Consumer and Commercial Relations, Municipal Affairs and Housing and the Attorney General—

The Acting Speaker (Mr. Cousens): One minute remaining.

Mr. Cassidy: —who keep passing the buck among them. One says the other one is responsible and the other one says it is the third one who is responsible. The fact is, this is a conspiracy by the government to make sure that as little

as possible is done for the benefit of tenants and people on ordinary incomes.

If one lives next to the minister of housing in Forest Hill in Toronto with all the millionaires, then “You are okay, Jack” or “You are okay, Claude.” If one is like so many people across this province who cannot afford the mortgage, are in danger of losing a job, the rent is liable to go up by \$200 a month and one does not know where the money is going to come from, there is no joy, policy or strategy coming from the government at all.

The Acting Speaker: Thank you.

Mr. Cassidy: This is a problem which has been growing over the course of the last decade. We are not seeing answers from the government. That is why we have no confidence in this government when it comes to ensuring affordable housing for the people of Ontario.

Mr. Conway: On a point of order, Mr. Speaker: There was a time agreement. By my calculation, the Conservative members have some time left. I am just wondering, if they intend to use it, fine; if not—

Mr. Brandt: You have no further speakers?

Mr. Conway: If I might, Mr. Speaker, our only point is that if there was time left over from the initial allocation, we could work out a division of it.

Mr. Brandt: Mr. Speaker, could we get some indication of what time is available?

The Acting Speaker: Thirty-five minutes.

Mr. Brandt: We have some speakers still available.

Mr. Speaker, I appreciate having the opportunity to respond to some of the comments made by the members opposite with respect to the motion proposed by the New Democratic Party. A quick count would indicate that the motion contains 344 words. With some degree of distress, I have to say that there are not too many sensible words in the total of 344.

All in all, this motion is another example of applied nonsense on the part of the third party. The last five lines in particular, if they are read carefully for both tone and intent, are an expression of the worst type of pious, dogmatic, academic socialism it has been my unfortunate experience to encounter in this House.

I would not expect the members of the official opposition to support this motion, but I believe that will not be the case. They may find some kind of association with the third party with respect to this no-confidence motion. But I just

cannot believe they would wish to ally themselves with the intrigues of the third party.

5:20 p.m.

I am aware that in the past the leader of the third party, the member for York South, has indicated in some of his comments that he would go relatively slowly in so far as the whole question of nationalism is concerned. I think he relates in some respects to that thrust in this motion.

I do not believe that what he says in this motion indicates he is prepared to move very slowly. First of all the motion refers to the "evidence of massive profiteering" in the Cadillac Fairview sale, and I would note that to this point we have no evidence. There are allegations but no evidence.

Mr. Cassidy: That is just what your minister had to say.

Mr. Brandt: The minister did not say that; and there are a considerable number of opinions with respect to that concern in regard to evidence of massive profiteering.

I would bring to the attention of the members—
Interjections.

Mr. Brandt: Mr. Speaker, the interjections are a little difficult to speak over.

There is an opinion which holds that no one made a killing on the Cadillac Fairview deal. One expert real estate analyst suggests the price escalation in the Kilderkin sale can be accounted for by the fact that Kilderkin's sales agreement with the purchasers guaranteed a specified return on their investment and an agreement to absorb all the financing and operating costs related to the properties. I have to add as well that the Morrison inquiry currently being conducted will no doubt help resolve conflicts of opinion and interpretations with respect to this specific transaction.

Interjections.

The Acting Speaker: Order.

Mr. Brandt: However, until the investigation has been completed, I would think the third party would be well advised to refrain from making any further irresponsible and inflammatory declarations about "massive profiteering."

I offer this advice with the best interests of the third party in mind, I might add. After all, it is possible the calculations they have made in connection with this transaction will prove to be about as accurate as their calculations were on the cost of calendars provided by the Ministry of

Health. Decimal points and zeros do make a significant difference from time to time.

The concluding section of the motion proposed by the third party charges the government with a "fundamental failure to recognize that shelter is too precious and important a human need to be left to... the whim of a marketplace dominated by the principle of private profit and enrichment."

The third party does not have a monopoly on compassion and sympathy in this House. They do, however, have the luxury of indulging in fine-sounding but essentially hollow declarations about policy without having to consider the consequences. Since we are—

Mr. Cassidy: Would you put profit ahead of need?

Mr. Brandt: That is a typical comment one would expect from someone who leans as far left as that member does. Since we in this party are responsible for the wellbeing of the province, we cannot afford to indulge in such self-serving flights of fantasy.

Let me ask the member this: Have Canadians been well served in housing by the free market, the market he accuses of being totally concerned about private profiteering? One has only to consult such studies as the United Nations Compendium of Housing Statistics and the World Housing Survey to determine the answer to that question. The answer is yes—Canadians, Ontarians in particular, have been well served by the free market.

One would discover that we in this country are among the best-housed people in the world. More of us own our own homes, and our houses are larger and less crowded, than is the case in most nations in the world. In Ontario over the last decade we have witnessed a steady increase in home ownership, which perhaps is something the member opposite takes some exception to. But in reality there has been an increase in home ownership in this province. In 1971, about 63 per cent of the households in the province were privately owned. By 1980, the percentage of owned dwellings in the province stood at just over 65 per cent.

In short, considering the three million households in the province, just under two million are privately owned. I would have to say the interests of those two million home owners have been well served by the marketplace.

I interpret the last section of the motion to imply that the third party would, if given the opportunity, nationalize the housing industry in

this province. That is exactly what they are saying in their motion.

Mr. Rae: No, it is not.

Mr. Brandt: Read the motion carefully, because there are no other implications but that in the motion.

Mr. Rae: That is a complete misrepresentation, and you know it.

The Acting Speaker: Order.

Mr. Brandt: It is not a misrepresentation. The NDP cannot have it both ways. That is the difficulty the socialist party has. They want it both ways. They should read the motion carefully.

The Acting Speaker: The interjections are becoming louder than the speaker.

Mr. Brandt: Mr. Speaker, permit me to call the attention of the House to an article that appeared in Maclean's magazine on March 1, 1982, entitled "The NDP's New Ontario Champion: the Member for York South." It is a profile of that party's leader, who recently joined us in the House and is the author of the motion before us.

On page 20—I am sure the members of the official opposition will appreciate my bringing this to their attention—it is reported, and I assume correctly, that the champion they refer to favours nationalism in "resource industries only, for the time being at least." Sort of cautious verbiage there. "To go further would," to quote the present member for York South, "mean destroying a lot of jobs and security."

It would appear from this motion they do intend to go further and to do so faster than they would have the voters of this province believe. They would pursue a strategy that would destroy a lot of jobs, if we are to take their leader at his word.

Certainly, if I were a home builder or a home owner, I would be very insecure under an NDP government. One can only wonder what other aspects of our economic and social lives the third party will next select to add to their list of things too precious to be left to a free market.

We already know what they would do with the resources and housing industries in this province. What would come next? Agriculture? Manufacturing? Will they be telling us some day that the raising of children is too important a matter to be left to the parents and they will have to be taken over by the government?

Interjections.

The Acting Speaker: Order.

Mr. Brandt: Rent control has been and continues to be a contentious issue, as the minister has indicated, both in this province and in numerous countries around the world. It is a complex issue that cannot be fully explored in the time available, so I want to limit myself in regard to that specific issue to a few general remarks.

Ontario's rent control legislation attempts to establish and maintain a balance between conflicting claims and interests. It attempts to balance the right of the tenant to be protected against exploitation with the right of the landlord to realize a reasonable profit on his investment. Is that so much to ask?

Rent control must also take into account the effect measures put in today will have on the housing supply tomorrow. I believe this balance would be destroyed if the rent control recommendations of the third party were implemented—to the detriment of landlords, tenants and home owners.

I note the motion speaks of a failure to "relieve the burden of property taxes on middle- and lower-income home owners." The third party should re-evaluate their proposal on rent control in light of the fact that in the direction the motion proposes they head there is no other option but for property taxes to increase. The burden would have to fall back on private property owners. There are simply no other options.

Mr. Mackenzie: Why? Ever hear of—
5:30 p.m.

Mr. Brandt: Because somebody has to pay for it. That is one of the things the member's party fails to look at—that somebody else has to pay for it. His party shifts the burden somewhere else to some other phantom financier who is going to come up with the money that is going to be required to carry out some of its fantasy policies.

In debates over rent controls there is little, if anything, said about the rights of landlords although much is heard about the social rights of tenants. I have a constant stream of landlords coming into my constituency office who are going broke on a regular basis. They are going broke because of the difficulty of living with some of the economic circumstances we live in today.

Mr. Renwick: They are not going broke and you know it. There is not a landlord you know who is going broke and you know it.

Mr. Brandt: Do not tell me that rent controls favour those landlords because they are handing in their keys and they are giving up their properties in a great many instances.

I do not think rent controls should be used to create a privileged class within our society. I do not think tenants should expect immunity from the economic forces with which landlords and private home owners must contend, because they too have difficulties today. Why should Ontario's home owners be expected to subsidize indefinitely the rents of Ontario's tenants?

I do not pretend the free market is perfect. It is not. That is why we have a mixed economic system in Ontario. When inequities occur in market allocations this government has always intervened sensitively to ensure the welfare of the people of Ontario is protected. There is a role for government in housing. We freely admit that.

We can work to maintain an economic environment in which growth can occur. We can provide strategic stimulation and innovative assistance, which we have been doing. Above all, we can ensure the poor and disadvantaged have shelter. This government has met its responsibilities in this area.

We on this side of the House believe economic freedom is a necessary part of political freedom. We believe any limitation of the former inevitably leads to a diminishing of the latter. Moreover, I am convinced this is a view shared by the overwhelming majority of the citizens of Ontario. That is why there happens to be 70 of us over here and 22 of them over there.

I want to conclude with an observation made by that great humorous Canadian writer, Stephen Leacock. He said: "Socialism will only work in heaven, where they don't need it, and in hell, where they already have it." To my knowledge, socialism prevails in only one area of this province, on the benches of the third party across from me. I cannot, nor can my colleagues, support this outrageous motion.

Mr. Shymko: Mr. Speaker, there are those in this House and outside who, without any high degree of exaggeration, witnessing what has been going on here for the past few days, will claim this session will be remembered as one of the most drawn-out, rancorous, unproductive assemblies in the long history of this Legislature. Some would even say it verged on anarchy. It has been a hell of an opener for newcomers to this assembly such as the honourable leader of the third party, myself and others. I share some

comparison with the leader of the third party, having experienced for a brief time another legislative forum. I think he too can certainly see the difference.

Today's no-confidence debate is a case in point. Some would argue the third party has attempted to exploit the Cadillac Fairview sale for political purposes. I wonder why today it finds it necessary, once again, to hold a public protest in this chamber. I wonder what is considered a priority today, having seen the actions of the minister to resolve this crisis, and having sat through the public hearings on a bill that is of historic importance in changing the entire health system in this province. I can see a priority in getting passage of Bill 138, for example, instead of wasting our time in this so-called emergency debate.

Even the member for St. Catharines (Mr. Bradley), witnessing the deterioration of this House, expresses concern, not only about security, but about the behaviour of members, the activities and the climate of the public galleries. That is an admission by a member of Her Majesty's official opposition, and it is unfortunate that we are continuing this trend.

Notwithstanding the continued obstructions that have plagued this government in the last number of days and months, and notwithstanding the disturbing precedent, where a minority of members in this Legislature effectively terminated the business of the House for weeks at a time, I welcome the opportunity to comment briefly on this motion before us today.

The record will indicate that some of our friends across the floor have unfortunately demonstrated, and continue to demonstrate, a dangerous lack of appreciation for what I may describe as the ancient description of this Legislative Assembly, that is, the dignity and the tradition of the parliamentary process in Ontario. I hope whatever changes we will see in standing orders will restore that sense of dignity.

There are members such as the member for Riverdale (Mr. Renwick), whom I respect—a lost breed of politician—whose eloquence and whose sense of dignity and decorum are rarely seen in this House. He is the last of the Mohicans. Certainly the former member for York South would never have debased himself to the degree of destroying that dignity in this House. The honourable leader of the third party should help to restore the sense of dignity and respect and the tradition that have reigned in this House for many decades. I hope they can be

restored some day. This is almost a bastardization of the political process.

The no-confidence motion before us is sadly inconsistent with the facts surrounding the Cadillac Fairview deal. In my great constituency of High Park-Swansea, approximately 5,000 to 6,000 constituents would have been affected tragically by this sale and resale if it were not for the immediate action and understanding of this government, and that is on the record. It is because we have succeeded in alleviating their fears that we are having this so-called emergency debate. The member fails to admit that success. He is afraid to admit it.

The motion begins with the words "its failure to protect the interests of tenants and home owners in the province of Ontario." The leader of the third party calls it a failure. I will attempt to reconcile the passage I have quoted with the details arising out of the sale and resale of almost 11,000 apartment units on November 5 of this year.

5:40 p.m.

First of all, let us look at the facts, Mr. Speaker. You are a witness. You were here listening to the statement from the minister, as everybody else was.

One week after that sale, the Minister of Consumer and Commercial Relations had addressed this House on the course of action he would follow in this matter. Less than three weeks after the deal, legislation had been prepared for introduction in this House. They call it failure.

Less than four weeks after the story broke, sure, we did not have information. But he was digging it out, doing his best, and he got the information. When the story broke, that legislation had received first reading and was on its way to becoming law.

If the leader of the third party really were so concerned about protecting the rights of our tenants, he would not disrupt the legislative process here today with this so-called emergency debate. What we see is further disruption, to stall even longer, so that this legislation does not become law. He is preventing the minister's bill from becoming law. If he were that sincere about protecting the tenants of Cadillac Fairview, he would make damned sure this bill became law as quickly as possible.

Once again we go back to the sanctimonious posturing about concern for the little guy,

concern for the tenants. Posturing—that is what I call it; hypocrisy.

Interjections.

Mr. Speaker: Order.

Mr. Mackenzie: On a point of order, Mr. Speaker: I ask the chair to remind the speaker that it is a no-confidence vote, not an emergency motion.

Mr. Shymko: Mr. Speaker, I will disregard that comment. Will you also point out that you do not take off your shoes in this Legislature? If someone wants to follow the example of Nikita Khrushchev, and I think it is the member for Nickel Belt, if he is so impressed by Nikita's behaviour, why does he not take his pants off?

Interjections.

Mr. Speaker: Order.

Mr. Shymko: As they say in French, "Revenons à nos moutons." Let us get back to the topic.

Mr. Speaker, what is most satisfying to me as the representative of more than 6,000 tenants living in the great constituency of High Park-Swansea, which elected this member by more than 2,600 votes on March 19—

An hon. member: And the next time it will be six.

Mr. Shymko: The next time I cannot predict.

An hon. member: Well, it will be six.

Mr. Shymko: What is most satisfying, Mr. Speaker, if you are paying attention to what I am trying to say, is the speed and the purpose with which this government has courageously addressed this volatile issue of apartment resale.

We have tackled this matter head on in both the short-term and long-term perspectives. We have presented legislation and guideline changes that will retroactively prevent unfair and unjust profits arising from this speculative, despicable sale and speculation and the mystery and walls of silence surrounding the sale of the Cadillac Fairview apartment buildings.

We have moved with speed and determination, effectively, hoping once again that the stalling tactics of the third party will not create further obstacles.

While the member calls it a failure, we have launched an inquiry that will investigate the books of those who participated in this scandalous deal. Moreover, we have set up a commission of inquiry that will look with diligence into the entire system and into the longer-term system of our rent regulation in this province, which again is being reviewed to protect the

fundamental rights of tenants and landlords at the same time.

How can they describe this as a failure? For the life of me, I cannot understand their definition of failure. How can this legislation be improved, made more effective for tenants, landlords and home owners? That is the question, and it is being addressed. If this is not a firm, determined action to protect tenants, I do not know what is.

Again, the leader of the third party calls it a failure. If it is a failure, I see it as his and his party's failure to admit our success; his failure to give credit where credit is due; his failure to understand that we on this side are just as committed, just as ready, just as capable—more capable—to give fundamental justice to the tenants, to provide equity, to provide fair play and social commitment to both landlords and tenants.

I followed with great interest the New Democratic Party's position on apartment resales. One cannot help but notice that the third party has failed to distinguish between many types of individuals who comprise the general category of landlords in this province. As a result, there has been a tendency towards a primitively simplistic and blatantly untrue categorization of all landlords as terrible, speculative profiteers. All of them—including that working-class landlord who sweats all his life trying to save a few dollars to provide security for his old age, for his wife, his family, to buy that little duplex or that little, simple, humble triplex—they are all speculators, exploiters of the working class. That is a simplistic view.

They do not realize that there are corporate landlords, small working-class landlords and little middle-class landlords. The NDP are caught in these ideological blinkers; they only see the exploited and the exploiters, the landlord as being a terrible exploiter of the people and the poor little tenant as the exploited one. That is a simplistic, 19th-century view of the world from which they cannot escape. They call it progressive ideology. It is a pity, I say.

Like every other member in this chamber, I

have constituents who own and manage rental properties as an investment for retirement. There is nothing wrong with profit. Profit is a filthy word today—

Hon. Mr. Welch: To some people.

Mr. Shymko: To some people. We know to whom I refer. They expect and have received from this government equitable treatment.

5:50 p.m.

Mr. Speaker: The member's time has expired.

5:56 p.m.

The House divided on Mr. Rae's motion, which was negated on the following vote:

Ayes

Allen, Boudria, Bradley, Breaugh, Breithaupt, Bryden, Cassidy, Charlton, Conway, Cooke, Copps, Cunningham, Di Santo, Eakins, Edighoffer, Elston, Epp, Foulds, Grande, Haggerty, Johnston, R. F., Kerrio, Laughren, Lupusella, Mackenzie, Mancini, Martel, McClellan, McEwen, McGuigan, McKessock, Miller, G. I.;

Newman, Nixon, O'Neil, Philip, Rae, Reed, J. A., Reid, T. P., Renwick, Riddell, Roy, Ruprecht, Ruston, Samis, Sargent, Spensieri, Stokes, Swart, Sweeney, Van Horne, Wildman, Worton, Wrye.

Nays

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Birch, Brandt, Cousens, Cureatz, Davis, Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Havrot, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones, Kells, Kennedy, Kerr, Kolyn, Lane, Leluk, MacQuarrie, McCaffrey, McCague, McLean;

McMurtry, McNeil, Miller, F. S., Mitchell, Norton, Piché, Pollock, Pope, Ramsay, Robinson, Rotenberg, Runciman, Scrivener, Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman, Yakabuski.

Ayes 54; nays 68.

The House recessed at 6 p.m.

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Davis, Hon. W. G., Premier (Brampton PC)
Elgie, Hon. R. G., Minister of Consumer and Commercial Relations (York East PC)
Elston, M. J. (Huron-Bruce L)
Grossman, Hon. L. S., Minister of Health (St. Andrew-St. Patrick PC)
Kerrio, V. G. (Niagara Falls L)
Laughren, F. (Nickel Belt NDP)
Mackenzie, R. W. (Hamilton East NDP)
Martel, E. W. (Sudbury East NDP)
McClellan, R. A. (Bellwoods NDP)
McMurtry, Hon. R. R., Attorney General (Eglinton PC)
Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics (Muskoka PC)
Norton, Hon. K. C., Minister of the Environment (Kingston and the Islands PC)
Peterson, D. R. (London Centre L)
Philip, E. T. (Etobicoke NDP)
Piché, R. L. (Cochrane North PC)
Rae, R. K. (York South NDP)
Ramsay, Hon. R. H., Minister of Labour (Sault Ste. Marie PC)
Reed, J. A. (Halton-Burlington L)
Reid, T. P. (Rainy River L-Lab.)
Renwick, J. A. (Riverdale NDP)
Roy, A. J. (Ottawa East L)
Shymko, Y. R. (High Park-Swansea PC)
Sweeney, J. (Kitchener-Wilmot L)
Turner, Hon. J. M., Speaker (Peterborough PC)
Welch, Hon. R. S., Minister of Energy and Deputy Premier (Brock PC)
Wells, Hon. T. L., Minister of Intergovernmental Affairs (Scarborough North PC)
Wrye, W. M. (Windsor-Sandwich L)



No. 174

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Tuesday, December 14, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Tuesday, December 14, 1982

The House resumed at 8 p.m.

REPORT, COMMITTEE OF THE WHOLE HOUSE (continued)

Resuming the adjourned debate on the motion for adoption of the report of the committee of the whole House on Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the province.

Hon. Mr. Gregory: Mr. Speaker, on a point of order: I wonder if I might bring to your attention the fact that the parties have all agreed on an equal sharing of time this evening. In any event, if we run short of speakers, the vote will be taken at 10:15 p.m.

The Acting Speaker (Mr. Cousens): That is according to government motion number 10 with the equal sharing of time. Is this a point of order?

Mr. Bradley: No. I am getting up to speak.

The Acting Speaker : Is this a point of order, the member for Ottawa Centre?

Mr. Cassidy: I thought I would speak as well, Mr. Speaker.

Mr. Bradley: Not at the same time, Michael.

Mr. Cassidy: Mr. Speaker, on a point of order: It would save time if the two of us spoke simultaneously.

The Acting Speaker: No, there is no room in the rules for that one. I do now recognize the member for St. Catharines.

Mr. Bradley: Thank you very much—

The Acting Speaker: Just as he begins, to remind all honourable members, we are under resolution number 10.

Mr. Bradley: Yes, which is very free-wheeling, I understand, in its interpretation. This is one opportunity that we have to do that. I will make sure that the pages keep the water flowing here tonight so that I am able to continue my remarks.

I believe it was Thursday of this past week that I had prepared a few remarks for the House on Bill 179, a rather stirring speech, at which

time I was going to appeal with a good deal of passion and conviction to my friends to the left to take a certain course of action.

However, when I went to make this speech—and I was very excited about this opportunity to influence the future course of action in Ontario, the very history of Ontario—the chief government whip stood in his place and invoked a motion that had been alluded to previously, a closure motion. This motion indicated that the question before the House at that time, which was put before us by the government House leader, would be put to a vote. This was approved, at least accepted, by the gentleman in the chair at the time, the member for Durham East (Mr. Cureatz).

I will have to modify to a certain extent some of the remarks I would have made on that evening because I thought they were very reasonable. I thought they were somewhat nonpartisan, if one in this House can be nonpartisan. They were certainly an appeal to the members of the New Democratic Party to adopt a different course of action than they had adopted to that particular time.

The evening before, recognizing that everything was a pressing matter in the House, we had conceded the fact we should, in the spirit of the Christmas season, allow the New Democratic Party to have its Christmas party last Wednesday night and that the House would not sit on that occasion, even though there were pressing matters before us. This is something we would want to do in the spirit of the Christmas season.

Nevertheless, the next evening we were into a rather extensive and heated debate in the Ontario Legislature on Bill 179, or at least on something associated with it, and that was the motion which, in effect, imposed time allocation on this bill.

In discussing this particular legislation, this particular motion, I should indicate that it is not from the point of view of a person who is unfamiliar with those who are involved in the labour union movement. Indeed, my own background as an individual is in a labour union household.

I have gone through the process that many working people in this province have gone

through; that is, a family that has gone through the difficulties of unemployment, a family that has not had the privilege of some people in Ontario who have been either by fortune born into privilege or who have been able to build themselves into that.

I come from a family with a working-class background. My father—and some of my friends to the left might even shake at this one—belonged to the International Union of Mine, Mill and Smelter Workers, Local 902, in the city of Sudbury, which at that time was not in conflict with the United Steel Workers but ultimately was.

Mr. Stokes: What does he think of you now?

Mr. Bradley: Very proud, very proud of the stance I have taken in this House. And I have extolled the virtues of the former Speaker to the members of my family as well, and his background in the railroad, because my family originates in the railroad business from way back when.

Subsequent to that, my father was a member of the boiler makers union—I do not mean the boiler makers who are upstairs at the present time, but I am referring to those who would be employed at the Port Weller dry dock—a member of the Steelworkers Union and ultimately the United Auto Workers Union—and members of the House will recognize this—as an employee of Columbus McKinnon chain, the infamous Columbus McKinnon chain that closed its doors during a strike.

I have gone through the process of unemployment, the process of the low wages within the family, the process of a rather long strike, so I am very familiar with the difficulties faced by working people in this province. Indeed, I represent a constituency that is a working person's constituency.

On that evening, because we had a time allocation motion placed before us, I was going to appeal to members of the New Democratic Party who, after all, had fought a fight on behalf of those who had asked that the bill be withdrawn; and most of the groups who came before the justice committee asked that the bill be withdrawn.

8:10 p.m.

They indicated they were not particularly interested in amendments. They thought the bill could not be improved by amendments and they wanted it withdrawn. As many of those groups made representations to the committee, I carefully noted those areas about which they were

most concerned. Part of that formed the amendments that eventually were put forward by those of us in the official opposition.

The New Democratic Party took a course of action about which it felt strongly. I do not want to be partisan enough in this House to think it was only for political reasons or anything of that nature. I think most people over there, in principle, would be opposed to the kind of legislation that was brought before the House in its entirety. I want to be charitable enough to concede that this evening.

There may be some political advantage in hoping, if one wants to be cynical enough to think of this, that the government would pass the most draconian measure so we could then point to the government and say, "Look at what we are facing," and attempt to mobilize opposition to that government. That is one course of action. I do not want to suggest that because I think there are a number of people over there, and I see the former leader of the New Democratic Party, the member for Ottawa Centre (Mr. Cassidy), who are genuinely concerned about all aspects of this bill.

We in the official opposition and members of the government side, in a jocular fashion, and sometimes in less than an amusing fashion, are at times moved to say, "You are the tools of one particular segment of society." Putting that aside for a moment, I do not think the members of the New Democratic Party could in any way have been accused on that occasion of backing off from a tough position and acquiescing to the government.

They had fought the hard battle in committee, moving procedural motion after procedural motion, not allowing the bill to move in any fashion. Once the bill came into the House, having moved what I consider to be trivial amendments, amendments we did not support necessarily because we thought they were just there to delay the bill, I have no doubt the members of the New Democratic Party might have felt in some cases—

Mr. McClellan: You are supposed to address the Speaker.

Mr. Bradley: The member for Bellwoods wants me to address the Speaker, but I am really trying to appeal to his good sense and logic this evening.

Mr. R. F. Johnston: It's the wrong time.

Mr. Bradley: It may be the wrong time when I say "this evening." However, what I had hoped that evening—

Mr. Stokes: Are you trying to convince us to vote against the bill?

Mr. Bradley: I am trying to convince you to do what you should have done last Thursday.

What I am saying is that, having fought the good fight, they could not be accused of abandoning those they claim, with a good deal of virtue, to be defending. At that time they could have said, and I would have appealed to their leader and party at that time to have said: "We have fought the good battle. We still believe the bill should be withdrawn. We see no virtue in this bill but we recognize you have 70 seats, albeit with 44 per cent of the 59 per cent of the people who voted. Nevertheless, under our electoral system, the government has 70 seats and therefore will pass the kind of legislation it sees fit to pass."

I would have appealed to the leader of the New Democratic Party and his colleagues to take that into consideration, knowing they had fought the good battle, and agree to a voluntary time allocation whereby all the amendments could be brought forward. We in the official opposition had 19 amendments, many of them removing the more objectional parts of the bill. The government had some amendments. We had proposed some to them. Others had encouraged that we have a time allocation so at least those amendments in their entirety could have been put before the House and there could have been a debate on those amendments.

Mr. Cassidy: You would have lost them all.

Mr. Bradley: The member for Ottawa Centre says we would have lost them all; perhaps, but perhaps not.

We saw an example of one amendment which was brought forward to serve the purpose of the nurses in Etobicoke who were caught in a situation where, on the day the legislation was introduced in the House, they were involved in the signing of a contract. An amendment was brought forward so that the people who were caught in that situation were alleviated from that situation.

The government facing, as it has, the continuous obstruction of the third party who thought that was a legitimate tactic to follow, is obviously going to be cantankerous and less apt to give any consideration at all to amendments in that atmosphere.

Second, they felt that the legislation which was introduced on September 21 had been held up for a somewhat long time. Nevertheless, we never had the opportunity to introduce all of

those amendments, some of which the government may have accepted, some of which they may have rejected; but at least we would have had an opportunity to have them on record as opposing or agreeing some of those amendments. Many people in this House who have been here longer than I know the tactics that the government uses. The Treasurer (Mr. F. S. Miller) used it on the one amendment that was accepted, which was lifted from the opposition. That is fine with us.

What the government would likely have done is to take the amendments we had proposed, modified them perhaps in a slight way and introduced them as amendments of their own. If it serves the purpose of alleviating part of the concern, removing some of the objections, then so be it, let the government take the credit for those amendments. But never did this House have the opportunity to vote on all of those amendments, and in my view that is unacceptable.

We had a number of amendments, and I think it is worthy of noting what those amendments would have done for the House before this bill is reported. For instance, initially we would have had an amendment which would have restored due process to the bill by making it subject to the Statutory Powers Procedure Act, thus guaranteeing the right to a hearing and the right to receive reasons for a decision from the board.

The amendment also would have added the right of appeal to cabinet of any decision of the board. As my friend the member for Etobicoke (Mr. Philip) will point out, that was an opportunity for the government to show some good faith and to have agreed to that amendment.

I know there are a number of people on that side of the House, not all of whom take after Attila or Napoleon or anybody of that nature, who would have recognized the virtue of this. I think of the member for Brantford (Mr. Gillies), a very progressive individual from time to time, who would have likely looked favourably upon an amendment of this kind. I indicated at that time that it would have provided an opportunity for the government, having imposed this draconian measure upon Ontario, to at least provide the mechanism for appeal, to have provided the opportunity for a hearing for any group in the province that wanted that hearing. That is one of the amendments that we would have liked to have seen passed.

A second which was not allowed to be put because of the filibustering that went on from the third party was an amendment which would have allowed those bargaining groups which

signed memoranda of agreement on the day the program was announced to be exempted from the transitional provisions, along with those groups which signed before September 21, 1982. As it turned out, the government extracted that and presented it as an amendment of its own—we note that it was for the Etobicoke public health nurses—so that was one instance where we were successful.

A third amendment, an amendment which exempts from the transitional provisions those groups which were in binding arbitration as of September 21, 1982, is very progressive, a very reasonable amendment, which surely would have been acceptable to members on the government side if they were approaching this in a reasonable fashion, an amendment which would have mandated a nine per cent transitional increase rather than the existing not more than nine per cent.

There are many people who expressed concern because it said not more than nine per cent could be provided in that transitional year. Our amendment would have mandated nine per cent and would have treated those people in a more appropriate fashion.

Further amendments to the legislation included an amendment which would have allowed free collective bargaining for long outstanding contracts rather than leaving it to the board to establish compensation. That is surely another reasonable amendment to this piece of legislation.

An amendment which would have removed the differential treatment of union and non-union workers, giving both mandatory increases of five per cent in the control year—as the bill now reads, workers with a collective agreement were guaranteed five per cent while those without a collective agreement could not get more than five per cent—would have been a very reasonable amendment which surely the government, if it were approaching this in a reasonable and logical fashion, would have accepted.

8:20 p.m.

Another amendment we would have presented to this bill would have raised a minimum increase from \$750 to \$1,200 and eliminated the discretionary increase. Increases would then have ranged from 12 per cent at \$10,000 to five per cent at \$24,000 and above. This was the notching provision we talked about, which would have made this legislation fairer for the people at the lower echelon of the pay scale in the Ontario public service.

We had a motion that would have moved that

subsections 12(3) and 12(4) of the bill be struck out and subsection 12(5) be renumbered, according to what we wanted to see in the bill; an amendment that eliminated the restrictions on seniority and merit increases for those making more than \$35,000, so that those who had gone to university, to community college, to other areas to increase their academic qualifications would not have been penalized because they happened to be at the threshold of \$35,000; an amendment that would have removed the extension to noncompensation elements of collective agreements, allowing for normal bargaining rights on noncompensation issues, which in 1982 are certainly, if not of equal importance, of great importance in relation to the monetary items; an amendment that would have brought other housekeeping items into effect as a result of those amendments; an amendment that said, "For the period referred to in subsection 12(1), the value of such proposed change does not constitute an increase that is equivalent to more than the increase permitted under section 12."

Once again, coming forward with very reasonable amendments, we would have introduced an amendment that would have allowed any person to refer a price increase to the board for investigation, rather than only the minister having this right. Surely a progressive piece of legislation would have to include that, since it would come down as hard on the price side as it did on the wage side. We would have had an amendment requiring the minister to publish and make public the economic criteria by which price increases are judged so that there would have had to be justification on the part of the Inflation Restraint Board.

There would have been an amendment to include in the program price increases taking effect after September 21, 1982, regardless of when the increases were announced. The effect of this amendment would have been to limit the OHIP premium increases that took effect on October 1, 1982, to five per cent, rather than the 17.5 per cent proposed in the budget of the provincial Treasurer. There would have been an amendment that would have included the OHIP fee schedule in the entire program, and a further amendment that would have restricted Ontario Hydro rates to a five per cent increase during the control period, because of those who would have to accept five per cent in their own compensation packages. Another amendment would have restricted the first 12-month increase in controlled rents during the control period to five per cent without cost pass-throughs.

These are the amendments we were prepared to move in the Legislative Assembly of Ontario to force the government to vote on them, to force all members of this Legislature to vote on them. We were not permitted to do so because of the time allocation motion, because of the closure motion that was put forward by the government as a result of the obstruction by the members of the New Democratic Party.

In my view what we have over there, even with its 70 seats, is a government that is not satisfied with the present rules of the House. That government has, time and again, been frustrated when we, the official opposition, or the members of the third party have used a good deal of the time of the House or a good deal of the time of committees to hold up legislation in an effort to persuade the government to move in a different direction.

Having said that, we are convinced the government was looking for an opportunity to find some excuse to impose time allocation on this House, to impose a brand new rule on this House that has not been used for 115 years. The New Democratic Party gave that opportunity to this government to implement this particular piece of legislation, this particular motion. That party must assume responsibility for that motion having come before the House. Members must have realized that those people were looking for an excuse to have this kind of motion before the House, this kind of procedural motion. They gave it to the government by the approach they took to Bill 179.

That may have won a lot of Brownie points with those who said nothing could be done with this bill except to withdraw it, but the penalty they have paid is, first of all, the lack of opportunity to discuss amendments to this legislation of a meaningful nature. The second penalty they have paid is the fact that the government has now implemented not one, but two, new closure-type motions, precedents that have been implemented in this Legislature because that party has chosen to take the course of action that it has taken.

Interjections.

Mr. Bradley: While they barrack and bark at me from that side, I know there are people in that party who know what I am saying is correct. Not my friend the member for Hamilton East (Mr. Mackenzie); he and I are not going to agree on this, but I am sure there are many people over there with a very realistic attitude to the Legislature of Ontario, with a practical knowledge of the fact that the government holds 70

seats and with the knowledge that this government has time and again been frustrated in committee and the House—

Mr. McClellan: Why are you afraid of the government? You are afraid of the government.

Interjections.

The Acting Speaker: Order.

Mr. Bradley: They have been frustrated because they have been unable to implement what they want, and the result of the NDP delay has been—

The Acting Speaker: The interruptions should cease.

Mr. Bradley: —to give them the opportunity and the excuse to implement a motion which the president of the Ontario Secondary School Teachers' Federation says is now the issue. It is no longer Bill 179; now the issue is the closure motion.

While I certainly make no excuse for that bunch which looked for the opportunity to implement this, I am going to tell you that the members of the New Democratic Party are the ones who provided them with that opportunity; and that was a sorry day. I hope those people who perhaps are in the House for the first time and who have been watching this debate recognize well what has happened in terms of this closure motion and why we have it before us.

I would have liked to have had the opportunity last Thursday to be able to place before my friends in the New Democratic Party the case for adopting a different course of action at that time. I would have had a hard time with my friend the member for Hamilton East, but some of the others might well have seen reason in that particular argument; perhaps even the member for Ottawa Centre, who from time to time has been progressive and realistic in his outlook, would have recognized the virtue of that.

Mr. Cassidy: That's right. I am progressive.

Mr. Bradley: It would have seemed to me there were two choices on that evening. We now have no choice except the one choice; that is, either a bill which was amended, or the original bill which the government wanted to shove through. As a result of the obstructionism that took place we have the original bill. It has gone through, and that is a sad day.

I would have wanted to see something different. It did not happen so I guess we have to face the reality of what has happened. We only hope now that the members of the government, having seen there were some amendments that

should have enjoyed support and that there was virtue in some of the things we recommended, somehow will attempt to rectify that in the future.

It has been said often that those who stand up in a Legislature and in public forums—I do not know whether the Latin for that is *fora*, but I will say forums—

Hon. Miss Stephenson: *Fora*.

Mr. Bradley: I took Latin up to grade 13 and I still know it is "*fora*."

8.30 p.m.

Often, when faced with the reality of office, they have to take measures which they would not consider acceptable in normal circumstances. I want to share with the House and with you, Mr. Speaker, some experiences, the most recent being that in the province of Quebec. The government in Quebec was elected with overwhelming support from the labour union movement. No one would challenge, surely, that it was elected with overwhelming support from the labour union movement, from those in the public service and from those who are represented by the Quebec Teachers Corp.

Yet the very government that was elected with this great groundswell of public support—and those people carried the ball for the Parti Québécois in the referendum—now brings in measures, because of a \$3-billion deficit, which do not just limit the pay of the public service, but demand almost a 20 per cent cut in pay for those people. It imposed a cutback of 20 per cent and then imposed a contract for the next three years. This is the same government that was elected with such great support. Who remembers Louis Laberge? Who remembers Marcel Pepin? Who remembers the support they have to that PQ government? Yet that government betrayed them.

We can go to other places to see what happens when people have to take the responsibilities of office. I will not go to Sweden or those places because that is not fair. I will not go to France where the socialist government has imposed some difficult measures. Instead I will stay in this country and go to the province of Manitoba, because the Leader of the Opposition in Manitoba, the Hon. David Barrett, has designs on taking over.

Mr. Samis: Ho, ho; come on, your geography.

Mr. Bradley: Barrett is in BC, I am sorry. I mean BC.

Mr. Cassidy: On a point of order, David

Barrett is going to be the next premier of British Columbia.

Mr. Bradley: I thank the member very much. I wanted him to say that because I am going to tell him what Dave Barrett said and what he did. I am glad the member brought that up.

Here is what happened. Firemen are workers in an essential service. The New Democratic Party never does anything bad to the workers. Here it says that in August 1974, "Firemen from four Vancouver area municipalities returned to work August 10 after agreeing to a British Columbia government bill ordering them back to work. But the workers did not return to work willingly. Legal adviser F. R. Chamberlain said in an interview August 9 that the members of the International Association of Firefighters have instructed their executive to inform the provincial government and the federal members of government that they dislike the way in which their strike, in its second day August 9, was settled." That is, it was settled by imposed government legislation ordering them back to work.

"Labour Minister Bill King," a good New Democrat, "said it was a regrettable step to take but all other methods of solving the dispute between the men in the four municipalities had failed. At the same time, he announced a search for a better way of dealing with work stoppages in essential services, such as firefighting, police service and hospitals." That may be understandable because they are essential services.

Let us go into the private sector now with the NDP government in British Columbia. Let us see what they did in October 1975: "Special legislation forcing striking food industry, forest, railway and propane workers back on the job was passed by the British Columbia legislature in an emergency session on October 7.

The bill, called the Collective Bargaining Continuation Act, gave the more than 50,000 workers involved 48 hours to return to work, imposed a minimum 90-day cooling-off period and ordered labour and management to resume bargaining immediately. During the cooling-off period, strikes, lockouts and picketing would be prohibited, and terms and conditions of collective agreement as of January 1 would be enforced. The provincial cabinet would have had the power to extend the period for an additional 14 days.

Mr. Allen: Could I inquire whether the member for St. Catharines is speaking to the question

of the realism or the unrealism of the New Democratic Party in Canada?

Mr. Bradley: I will continue. I know it is embarrassing for the member for Hamilton West (Mr. Allen), but I will continue.

Here is what the Premier says: "Premier Dave Barrett said the bill tells the parties involved to 'grow up, get with it, and get your heads together—if you can't do it we will.'" The New Democratic Party Premier of British Columbia said that.

This is how long it took, so think about this bill: "The legislation sped through three readings in seven hours, winning approval by a 46-3 vote. The dissenting votes came from three back-benchers of Mr. Barrett's New Democratic Party.

"The BC Federation of Labour vowed immediately to fight the bill, but by October 9 the 29,000 coast members of the International Woodworkers of America had reached a tentative agreement and other affected workers were returning to their jobs." That is what they did in British Columbia. I will leave British Columbia at that point.

The honourable members will want to know what happened in Saskatchewan with the last government. Some of the people affected by this legislation are hospital workers and one would assume members of the New Democratic Party have a good deal of empathy, such as they have expressed in this Legislature, for hospital workers. What did Allan Blakeney and his government do? Before the election they passed legislation that, in effect, prohibited strikes by hospital workers during the campaign. Once again, that is accepting the responsibilities of office. That is what they do when they are in office because they have to accept the responsibilities of office.

It is not just in labour legislation I am talking about. I want to talk about cutbacks, because there are many members of the public service who are worried about cutbacks. In Manitoba, His Excellency, the Governor General of Canada, then the Premier of Manitoba, did something in August of 1976. This is Premier Ed Schreyer, the good strong New Democrat. His successors are now in power. We do not want to see cutbacks in the public service, but let me tell the members what Ed Schreyer did when he was under the gun. Maybe the third party members do not want to know.

"Manitoba Premier Ed Schreyer announced in Winnipeg August 17 he has ordered cutbacks in the provincial civil service and in government

programs in an effort to reduce expenditures by between \$18 million and \$30 million." No, it was not Sterling Lyon, it was Ed Schreyer, the NDP Premier.

"He said that if the cutbacks proved insufficient, an increase in provincial income tax could be considered.

"As part of the austerity measures, cabinet ministers have been instructed to review departmental operations and prepare a list of possible cutbacks and deferrals; defer funds not already committed to expansion of programs; scale down construction and development programs; attempt to reduce administrative and controllable expenses; and refrain from filling vacant posts.

"The Premier said the civil service is to be frozen at its present size and reduced gradually by 10 per cent."

This is what happens when one gets in government and realizes the realities of office. But there are some in opposition—I will get to them yet—who even when they are in opposition recognize that tough measures are necessary. The successor to the leader of the New Democratic Party in the federal NDP caucus, Nelson Riis, has indicated that he favours a full program of wage and price control. He wants controls. Nelson Riis, the federal NDP economic critic, said that.

Richard Gwyn, who writes a syndicated column, was talking about a chamber of commerce meeting, and the Tory who was there was saying how bad the six and five program was. He said it was a terrible program and should be thrown out. None other than Nelson Riis said: "Hold on. We have to be responsible about this. At least, it is a start." He received a good round of applause from the chamber of commerce.

I do not know how Peter Ittinuar felt when he crossed the floor from the NDP to the Liberals. I do not know how he felt. How about this—perhaps this mitigated in favour of it.

8:40 p.m.

Mr. Wildman: Guilty, very guilty.

Mr. Bradley: My friend says "guilty"; and that is a possibility, that happens.

Interjections.

Mr. Bradley: I will now do as my friend the member for Cornwall instructs me and train the guns over here where they usually are.

I find extremely repulsive the measure they have introduced. The closure motion is unacceptable to those of us in the opposition. We have said that on many occasions. We

understand who has given the government an excuse to impose this motion. We understand the great strategy of the messiah from Ottawa which was to jam up the legislative process to the very end. It backfired and as a result we have these two new precedent-setting pieces of closure procedure before this House that we have never had before. The third party must accept a good deal of responsibility for that.

Provoked as it was, the government should have resisted that temptation and proceeded under some other method. It should have given one last chance to the member for York South—who knows all the rules in Ottawa but apparently is not too familiar with the procedures here at Queen's Park—to change his mind.

Interjections.

Mr. Bradley: I will not say where the member for Cornwall is at the present time. How much time do I have left?

The Deputy Speaker: Seven minutes.

Mr. Bradley: I will go the full seven minutes.
Interjection.

Mr. Bradley: My friend the member for Etobicoke was an excellent chairman of the justice committee. I well recall his glory days in the Re-Mor matter.

There are times when we are able to reach the members of the governing party in some small way. Through pressure of some kind, we are able to persuade them to take a second look at legislation which they impose in an impulsive manner.

I would have hoped my friend the member for Etobicoke, the member for York South and others would have sat down with the government and said: "We see several things wrong with this legislation that we would like you to fix up. You can take the credit for it. You bring in the amendments that would make the changes which would alleviate some of the greatest concerns. You bring in the amendments that would remove some of the greatest objections and we will be prepared to co-operate. We might not vote for those amendments but we are prepared to see them come forward."

On the other hand, they might have said, "We will vote for them if they are amendments that are going to improve the bill in some way." Unfortunately, that attitude was not there.

I mentioned this earlier in my remarks and I guess it is a political strategy to take. One of the tacks to take is to hope the government will impose the worst possible measure, to hope it will entertain no changes and that the final bill

which comes before this Legislature and is implemented is the worst possible bill, so when one is on the campaign trail, or before the campaign trail, one can use that as an example of why the government should not be re-elected. One can radicalize even those in the public service who in the past have been supporters of that government. I suppose that is one political tactic to take.

I happen to disagree with that because ultimately we must look at the legislation that is going to flow from the House. Even though those who are directly affected by it are not going to be entirely happy better that the worst aspects of the bill be removed or changed than have the original bill pass through the House.

That is not to be, because we have before us a time allocation motion which I remind members of the House is now a precedent and will be used time and again to counteract the last weapon we had. Of course, we have the other weapon we have used in the past, the weapon of interim supply. But I want to tell members what happened with that. I see some members of the Ontario Public Service Employees Union here who would be interested because they get only one version from the president of OPSEU on what happened in this situation.

Wanting to get information on a \$650 million investment that was known to only four members of the cabinet—and not even those four agreed—we in the opposition held up interim supply. Naturally the government sent out the usual notices: "Guess what? The Liberals are going to make it so that you are not going to get paid. That is what the Liberals are going to do to you." The New Democratic Party co-operated with the filibuster at that time; the NDP were discussing that motion. But what happens? The president of OPSEU sends out an open letter condemning Dr. Stuart Smith and the Liberals for holding up the pay of the members of the public service.

The New Democratic Party had participated in that process, legitimately wanting the information from the government on Suncor—even though they probably would have preferred that the government buy 51 per cent instead of 25 per cent. Nevertheless they legitimately wanted that information; they participated in the holdup of interim supply. Yet the president of OPSEU writes a letter saying, "Of course, the Liberals prevented you from getting paid," and he forgot to mention the New Democratic Party had participated in it.

I think it is very important that members of

unions be aware of all of the facts before making that judgement, and that is why I brought this matter to members of the House this evening. I want them to know what happened in that instance.

It is with a good deal of concern, with a good deal of regret and with a good deal of remorse that I see this closure motion before the House, that I see a time allocation motion. I firmly believe if the member for Scarborough Centre (Mr. Drea), the Minister of Community and Social Services, were sitting in the opposition—I remember his years in the past—he would be expressing extreme regret about the implementation of a resolution of this kind. I know him well enough to know that would be the case.

I suggest there are many others across there in the same circumstance. There are a number, however, who will be quite pleased to see this measure come before us, because from now on as a result of the obstruction, as a result of the overreaction to that obstruction—

Interjection.

Mr. Bradley: I did not take a course that cost me \$3,000.

The Deputy Speaker: Avoid the interjection. Wind it up.

Mr. Bradley: The Treasurer of course had the taxpayers pay for a \$3,000 public speaking course.

The Deputy Speaker: Honourable member, time.

Mr. Bradley: Time is almost up? Okay.

In conclusion, Mr. Speaker, we are under a cloud of closure tonight, which we shall not soon forget and which will destroy the legislative process for many years to come if it is once again implemented with the precedent that has been set by the members opposite.

The Deputy Speaker: The member for Ottawa Centre.

Mr. Cassidy: Thank you, Mr. Speaker.

Mr. Conway: We want Odoardo.

The Deputy Speaker: The member for Downsview?

Mr. Bradley: Mr. Speaker, I move that we now recognize the member for Downsview (Mr. Di Santo).

Mr. Cassidy: Mr. Speaker, the member for Downsview will be speaking shortly, but I wanted to set the record straight a bit for my party about the process we have gone through over the course of the last two and half months.

I just want to remind the House before we go on, though, that I have just been looking at the record of the votes that took place from the Liberal Party with respect to Bill 179, and I have never seen anything so schizophrenic in my life. One minute they were on one side and the next minute they were on the other. They quite specifically and continuously stood on both sides of the fence. I wonder how they can stand up in this Legislature today, because when you sit on the fence that long it gets awfully damned painful.

8:50 p.m.

Mr. Roy: Mr. Speaker, on a point of order, I am very disappointed you did not recognize the member for Downsview, because I saw him standing first.

There is a second point that should be made. I am advised by the member for Ottawa Centre that he has written a couple of exams lately and things did not go that well. That is why he is expressing some frustration here this evening.

The Deputy Speaker: Order; the member for Ottawa Centre has the floor.

Just before you start again, perhaps we could turn on the other mike because I have difficulty hearing the member when he is turning my way.

Mr. Cassidy: Mr. Speaker, my colleagues will talk a bit more about the Liberals. I think their contribution to this whole process has been negligible, innocuous, unhelpful and frankly lacking any kind of principles at all—which is what we usually find as regards the Liberals.

I want to say a word about another concern I have. This does not concern the bill, because people know what we in this party feel about this bill. What I am concerned about is the process we have gone through over the course of not just the last two and a half months but since last January when the Premier met with Sean O'Flynn the president of the Public Service Employees Union of Ontario. At that time he assured him the public servants of the province would not be pilloried, would not be singled out with a wage control plan. That was the promise and the Premier then decided he was not prepared to keep the promise.

All the way through the piece there has been, I believe, a deliberate destruction of good faith between this Legislature and the province's organized workers who work for government and the organized labour movement generally across the province. I think it has been extremely destructive of the relationship that has existed.

To begin with, the government made a promise which it broke. Then, over the summer, the government embarked on a study of wage controls. It let it be known in the press it was doing exactly that and quite deliberately decided not to consult in any way with the representatives of the workers who were going to be affected. It would not talk to labour. It would not talk to the public service employees, which is a slap in the face, to put it mildly.

In the fall, it gave all of about two hours of advance notice to the public servants before it brought forward Bill 179. This was not the product of a long and involved effort to build consensus across the province. This was the product of a government that felt it had to do something about the economy and had decided to take on the trade unions in a confrontation because it could not think of anything better to do.

Then we had the process that occurred in this House. We had a long debate on second reading. Initially the government did not even want to have a committee hearing of any sort. It did not want to have the matter sent out to committee because it thought the matter could be rammed through this Legislature more easily. Finally, after we insisted, they finally agreed that a certain number of hours would be given for committee consideration.

But it seems to me that was not enough—and should not be enough—in terms of the work this Legislature should do. If we ever learn from the mistakes that have been made in the handling of Bill 179, I would be a very happy MPP. I fear however, from 10 years' experience, that we may continue to make these kinds of mistakes in the future which contribute to the fact that this Legislature is so often considered by the people of the province to be irrelevant.

We had to insist on the committee. The committee was given no information by the government. The compendium that was offered with the bill was a joke. And in the committee hearings there were more than 40 groups who sought to appear before the committee who were shut out, were not permitted to make any presentations, were not permitted to be heard.

Those committees can divide, they can travel, they can move around. If there is trust and co-operation there is a great deal this House and the committees can do if they are given their head. But no, the government would not have that. They insisted that only 75 of the 120 odd groups that wanted to appear could be heard.

The groups said overwhelmingly they did not want the bill and they showed why they believed the bill was wrong. Many of the things they had to say were what we had been saying as well.

A further weakness though in terms of the process was the fact that the committee heard representations and then any efforts it made to go further into the matter were thwarted by the government. I just heard a lot of claptrap from the member for St. Catharines with respect to the New Democratic Party holding things up. He forgot to mention that the government consistently refused to make any serious contribution to the debate on Bill 179.

The Treasurer and the Premier made a few speeches outside this Legislature. They made some statements to the press and they made a statement before questions in this Legislature. The Treasurer came to one or two sessions of the committee and then left it up to his parliamentary assistant, the member for Mississauga North (Mr. Jones).

The government refused to have the Minister of Labour (Mr. Ramsay) or the minister responsible for the civil service, the Chairman of Management Board of Cabinet (Mr. McCague) come before the committee. The government refused to have the Attorney General (Mr. McMurtry) come before the committee. The government refused to have the the Minister of Education (Miss Stephenson) come before the committee, despite the fact the bill covered some 1,400 teachers and support workers across the province. The government refused to have Sally Barnes, the chairperson of the Ontario Status of Women Council, appear before the committee despite the impact of Bill 179 on wages of women working in or near government in the province.

The government refused to have Mr. Biddell, the designated chairman of the Inflation Restraint Board, come before the committee in order to explain some of the comments he has made previously about inflation restraints and in order to explain what he thought the purpose and workings of the board was going to be. The government refused to have the Deputy Minister of Labour come before the board. I cannot remember what its reaction was or even whether we got around to asking for the chairman of the Ontario Labour Relations Board.

What is important about that is this: Coming from the outside and voluntarily appearing were mainly people who had a direct interest in what was happening. They were either representa-

tives of workers who would be injured or they were representatives of the trade union movement who were opposed to the principles of the bill or in certain cases they came from private sector organizations like the Canadian Manufacturers' Association or the Ontario Chamber of Commerce, who for various reasons mildly supported the attempts by the government to do something about inflation.

There were no impartial experts to speak of. I think the only group in that category who came were people from the labour study section of McMaster University's faculty of management. That was the only group that came whose members were at all impartial. It seems to me when we pay many millions of dollars to experts working on behalf not of the government but of the people of the province that we, as legislators, should be entitled to have a contribution from them.

The government has 65,000 civil servants and God knows what access to consultants, computers, policy analysts and that kind of thing, and this Legislature has to make use of that kind of information as well. If we cannot get civil servants to come before us then opposition members should have the power to commission that kind of information to come from outside experts who would seek to evaluate some of the questions we wanted to ask.

We wanted the Minister of Labour to tell us the possible impact on labour relations in the province by the passage of Bill 179. We wanted the Attorney General to tell us the constitutional implications of interfering with freedom of association and freedom of contract and of taking a stand that directly interfered with the political status of civil servants, particularly when they have no political rights to fight back.

We wanted the Chairman of Management Board to say what studies he and his ministry had taken with respect to the impact on the civil service in the province. We wanted the Attorney General to tell us what this meant in terms of administrative law because of the blatant disregard of the Statutory Powers Procedure Act which the government had embarked upon. We wanted him to tell us, as well, what this meant for the status of contracts in the province because if a contract with workers could be declared null and void by this Legislature, what does that mean to a business person who wants to do business in the province. He may wonder whether we are prepared to breach those kinds of contracts as well.

We were not able to get those things answered

at all. At no time did the government enter into the debate. The shameful part of the debate last night was where the Minister of Labour sat mute, as he has been all along. It surely is his obligation to speak up and speak his mind if he believes in any way possible that this bill is damaging to the state of labour relations in Ontario, but the government categorically decided it was not going to reply or debate in any way at all.

When that occurs, what we have is not democracy; what we have, in my opinion, is the tyranny of the majority. If that process goes on, we may as well simply pack this place in for the next three or four years, because that is not a Legislature. All of us suffer when this place does not function as a Legislature, when the rights of the opposition and the rights of the people who work for this place, the civil servants and the public servants of Ontario, are abrogated, as they have been with this clownish, shameful process in the passage of Bill 179.

9 p.m.

Mr. Gillies: Mr. Speaker, I must say that I join this debate with very mixed emotions. Often when a member stands up to speak on a bill, he will say as a matter of form, "I am pleased to join the debate," etc. I cannot say that tonight.

I join the debate with mixed emotions because much as I am pleased, as members of the government party are, to see a very necessary piece of legislation finally come before this House, I am also disappointed; and I do not say this in a provocative sense. I am disappointed at the process the standing committee on administration of justice of this Legislature endured for some eight weeks, which led to the motion that had to be put forward by the government House leader (Mr. Wells) last week.

I look back to the motion of this House that sent Bill 179 to the justice committee on October 19. That motion laid out the various hours of sitting and so on that the committee would be considering the bill, and it said: "Following the period of the delegations appearing, normal clause-by-clause consideration of the bill will start on November 2, with sittings," etc., "and when finished the bill will be reported to the House."

I had the opportunity to join the justice committee for some four or five days of those hearings, and in my brief experience of this House in the two years that I have been here, I have to say that the manner in which the clause-by-clause consideration was undertaken

by the justice committee was by no means normal.

I speak to that which my friend the member for St. Catharines (Mr. Bradley) alluded to, the filibuster, the stonewalling conducted by the members of the third party in the justice committee. I suggest that it is a very sad day indeed when the government has to bring in a motion of the sort that has been put before this House to curtail the debate so the workings of this Legislature can continue.

When I heard my friend the member for Ottawa Centre speak to the tyranny of the majority, I had to consider whether at times during that particular process we were seeing the tyranny of the minority. There are some 37 clauses in Bill 179, and after 90 hours of consideration the justice committee was still talking about clause 1(a), the name of the board.

For the edification of those in the gallery who may be wondering what the heck is going on here and why the government brought in a motion to curtail the debate on this bill, I suggest to them there is ongoing work in this House that requires a certain co-operation among the members of all three parties so that it will function. I am not saying by any means that we will always agree. Of course, we will not agree.

I listened to some of the arguments put forward on the substantive points of the bill by my friend the member for Riverdale (Mr. Renwick) and others, who speak very articulately to their philosophies and their beliefs with respect to this bill. Of course, I respect their opinion. As a legislator, I want to hear what they think and what they believe about it.

But, quite frankly, we had very little opportunity to do that. After 90 hours of procedural motions, of obstruction, of holding that committee up—as one reporter said—to ransom, what did we know that we did not know before? We knew that the members of one party in this House did not wish the bill to proceed and that the members of two other parties did. But we had very little opportunity to consider amendments to the bill or to discuss their merits and necessity and so on.

In my sittings in that committee, I saw every procedural trick in the book used by the members of the third party. I became quite concerned about the member for Windsor-Riverside (Mr. Cooke). He must have the weakest bladder in this House, because every time there was a motion before the committee, he was gone.

I should explain to our visitors, sir, that there

is a rule in the standing orders of this Legislature whereby if a division is called in committee and all the committee members are not present to vote, there is a 20-minute recess until those members appear to vote. Of course, that rule exists for very good reasons. We have duties in the House and to our constituents and so on; it is seldom that every member of the committee is sitting in the committee waiting for a vote to occur.

The application of that rule by certain members of the standing committee on administration of justice was by no means, I feel, in the spirit in which that rule is intended. They were disappearing simply to use up time.

So, after some 90 hours in the committee, the government found itself in a dilemma. Even though I am sure my friends in the third party will disagree substantively with what I am saying, I am sure that at least my friend the member for Oakwood (Mr. Grande) will agree with me that the government was backed into a corner. The government had to take action as to whether to continue with and implement its legislative program. That decision had to be made.

I have a feeling that if any of my friends in the third party were sitting over here, faced with those options, their actions would not have been entirely dissimilar to ours. I do not say this in a provocative sense but I suggest in passing, as I speak to the motion before us that brings this bill back into the House, that it was necessary and timely.

I have a constituency that is heavily industrialized. It is a working town, and the people there are very proud. I talk with many of them on an ongoing basis about what is going on at the Legislature and what action the government is taking, and I have to say that the average person I speak to in my riding feels that restraint of government spending is both necessary and desirable.

I have heard other members of the House allude to Mr. Nelson Riis of the federal New Democratic Party. I do not have to look that far afield to find a New Democrat who supports the notion of restraint. My federal member in Brant is Mr. Derek Blackburn. Last summer, the Brantford Expositor came out with the glaring headline, "Blackburn Supports Restraint." As I recall, his criticism of the six and five program was that he thought the numbers might have been a bit off; he might have made it nine and seven or eight and six. But, basically, he supported the premise that restraint of government spend-

ing was necessary and desirable in the current economic situation.

In taking that position myself, I do so knowing that my friend and working colleague from Brant supports me, despite the fact that he is a member of the New Democratic Party. We have several similar examples.

Again I have to wonder, as I talk to people in my constituency, whether the steps that we are taking are, as is charged by our friends opposite, unfair, draconian or all these other adjectives they use. I think the workers and business people in my riding that I talk to would feel very happy indeed if they could earn five per cent more this year than they did last year, because the vast majority of them cannot.

In this day and age, it really does not matter whether the members of Local 458 of the United Auto Workers in Brantford vote themselves, in co-operation with Massey-Ferguson and White Farm Equipment, an increase of 10, 11 or 12 per cent. Because of the economic situation, they are laid off and are not getting the type of compensation they were making last year. They look at their friends and neighbours who work for the government and they have to wonder where the justice is.

9:10 p.m.

I remind you, Mr. Speaker, we are debating a wage increase—

Mr. Renwick: I cannot believe the people say, "Beggars my neighbour." Is that the Tory intention of the bill? Beggars my neighbour?

Mr. Gillies: Certainly not. I suggest to my friend the member for Riverdale that what we are debating is a wage increase that may be considered fair by the employer.

My friend the member for St. Catharines raised the current actions of the government of Quebec. I quote from the Toronto Star of this past Saturday:

"The Quebec government has introduced legislation that will cut the pay of 350,000 public sector workers in the province by another five per cent next April." This, I might add, by a government that could be considered social democratic by any standard; at least it was elected on that premise.

The article continues: "The legislation comes on top of a previous measure introduced last spring that will cut public sector wages by up to 19.5 per cent on January 1."

They are talking about a 20 per cent decrease in these peoples' wages. My God, if we were contemplating that in this province, some of the

adjectives used by my friends opposite would come to my mind: draconian, unfair, taking out the ramifications of a bad economic situation on the backs of public employees.

All those things would occur to me, but that is not what we are talking about. We are talking about a wage increase. I have to wonder whether my friends opposite, in view of the situation this province and this country face right now, think and believe every word they have said in the course of this debate. Or do they feel the pressure is on them from those who have a certain degree of influence in their political fortunes?

Last week, when the motion by the government House leader was brought before the House, my friend and neighbour, the member for Brant-Oxford-Norfolk (Mr. Nixon), said he was disappointed and he protested the motion because many more MPPs wanted to speak in the course of this debate. That is a sentiment I wholeheartedly accept and agree with.

I, for one, commend the members of the Liberal Party, the official opposition in this Legislature, for their conduct through the course of this debate, because the members of the official opposition have tried in their way to make this place work and to continue the work of the Legislature which we were elected to do.

We may disagree about the necessity of the motion. I can share the sentiment of my friend the member for Brant-Oxford-Norfolk in that we regret this motion was necessary. But we over here have an obligation to ensure that the work of the province continues.

Whenever there is a quorum call in this chamber, the members of the opposition are the first to remind us that the maintenance of a quorum in this House is the job of the government. The job of seeing the work of the Legislature continues is the job of the government. We accept that responsibility. We are going to do our job. I have a hunch that if the members of the official opposition were sitting over here, they themselves would realize that obligation to ensure the work of the Legislature continues. I believe they would have brought in a motion not at all dissimilar to the one brought forward by the government House leader in the past week.

I say again, after 90 hours of fruitless debate in committee, after listening to numerous delegations—and I might just say by-the-by that the curtailment of the time for delegations in that committee was not put forward by the government. It was done quite by accident, I

think, by a member of the third party. It was he who curtailed the last day of the presentations by delegations before the committee, not the government.

The members of the government party were there, ready to sit all evening if necessary to hear the various delegations that wanted to speak to them. But, unfortunately, that was not possible because of an action by a member of the New Democratic Party. As a result, we find ourselves now, not with a motion for closure—

Mr. Breagh: On a point of order, Mr. Speaker: I note with some regret that the present speaker has neglected to notice that the curtailment of the committee hearings was at the direction of the chair when it was pointed out to him that he had no authority to sit past a certain hour. He rather abruptly ruled that the hearings were at an end.

I know the honourable member does not want to mislead the House. I know he wants to provide accurate information. I am sure he wants to point out to the members of the House that the committee hearings were ended by a ruling of the committee chairman, who simply said he had no authority to sit past a certain hour.

Mr. Gillies: Mr. Speaker, I do not intend to debate the point at any length. I think it is quite clear on the record that a member of the New Democratic Party called attention to the clock, when there was a tacit agreement among the members of the committee that they would continue to hear the delegations until they were through. But I do not want to get into an extended debate on that. I have been in committees that have sat beyond the time of six o'clock or 10:30 p.m., and I am sure the member for Oshawa (Mr. Breagh) has too. I do not intend to debate that.

Mr. Breagh: On a point of order, Mr. Speaker: The member has gone on at some length now to establish the fact that the committee hearings went on for some length of time. I do not believe it is beyond comprehension that if the government had wanted to sit past six o'clock, it could have put its motion in due course, that is to say, before six o'clock. If the Hansards of the day were read, I think it would be found that members of all three parties were quite willing to sit past six o'clock. The only difficulty was that—

The Acting Speaker: I guess you are right. Thank you for your point of order. I am sure we are all clear on that.

Mr. Gillies: I accept the point. I merely want to finish my comments on that point by saying, if the motion had been put by the government at six o'clock, we would have voted at 6:20, because the NDP would have wanted to waste another 20 minutes on a division.

However, I come back to—

Mr. Breagh: On a point of order, Mr. Speaker: I hate to contradict a fellow elf, but the rules of the House say rather precisely that members cannot impute motives. In this particular case, if the member had had the brains to put the motion before six o'clock, he might have been absolutely astounded at the results of that vote.

Mr. Gillies: I will accept that and I will continue this debate with the member for Oshawa tomorrow at 7 p.m. when we are in our elf costumes. To understand that, you will have to come to the Speaker's Christmas party, Mr. Speaker.

Interjections.

Mr. Gillies: If you will excuse the pun, Mr. Speaker, I will be there with bells on.

After some 90 hours in the committee, we were still on clause 1(a). I have to wonder why, if, as they say, the members of the third party wished to debate the merits of this bill, they stalled on clause 1(a). There are a number of sections to this bill. We could have talked about part I, those clauses impacting on the Inflation Restraint Board. We could have talked about part II, public sector compensation restraint. We could have talked on into the other clauses, part III, administered prices, and so on. But there we were, tied up in a mess, in an absolute miasma of procedure.

Mr. Stokes: In a dilemma of your own making.

Mr. Gillies: In a dilemma of the making of the obstructionist tactics of the members of the third party. There we were. For that reason I listened with great interest to the comments made by the member for St. Catharines. I knew the members of the Liberal Party had amendments they wished to put to the bill. I knew the Treasurer had amendments to put to the bill.

If the motion that has been debated in the past week had not been put, I wonder whether our consideration of either the Liberal amendments or the government amendments would ever have come to pass. We would still be back in the justice committee debating clause 1(a). The face of the member for Welland-Thorold

(Mr. Swart) coloured every time he spoke of the Inflation Restraint Board.

9:20 p.m.

I suggest there are things in this act that the people of Ontario and the public servants of this province had a right to hear debated. They had a right to see whether there would be amendments put and they had a right to see the bill brought before the House. That process was not going forward in the justice committee in the situation we were in for some 10 weeks.

One of the members speaking earlier spoke of the amendment the Treasurer put yesterday which allowed for some consideration of the situation in which the Etobicoke public nurses found themselves. As was every member of this House, I am sure, I was pleased to see that amendment put and passed, because it was something that had to be done on moral grounds; it was something that was just.

Would that amendment have been put and would that undertaking have come before the House if the bill were still down in the justice committee while debate continued on the first couple of clauses of the bill?

I come back to my original words; it is with mixed feelings that I speak tonight. I came here to do the work of representing my constituents in this chamber. I think we all came here, whatever our stripe and whatever our political beliefs, to do the work of the province and to further the workings of this Legislature. The job we were given to do was not to stall and debate procedure for 10 weeks in committee. The job we were given to do was to further the aspirations of the people we represent in an efficient and judicious manner.

On sober reflection, I think the people of the province will find that is what we have done, in no small part because of the decision by the government House leader and the Treasurer to bring this bill back to this House for debate and for consideration by all members.

Mr. Philip: Did General Jaruzelski write your speech for you? It's exactly what he said.

Mr. Gillies: I hear the member for Etobicoke voicing his opinion on the bill. I wonder how he would have felt if the bill had not come back into the House so the concerns of his public nurses in Etobicoke could be considered by this Legislature. I wonder how he would have felt if, come Christmas Day or thereafter, we were still debating clause 1(a) in the justice committee. I do not think the member for Etobicoke would have been happy at all to see that.

I see the work that was undertaken in this Legislature, throughout the fall, despite the situation with Bill 179. The standing committee on social development, if I may digress for a moment, went through a long and complicated piece of legislation this fall, Bill 138, the new Health Protection Act. It was done on a co-operative basis by members of all three parties in this House.

It was a bill that was required. The last Public Health Act in this province is 100 years old. Now, because of the tactics of the third party, we find ourselves in a situation where that bill may not find its way on to the floor of this Legislature before the House adjourns. Then we will be in a situation where in the spring a new bill will have to be introduced and renumbered. I see that.

I see the unanimity for the bill of the Minister of Labour, introduced to increase the pensions for injured workers in this province. It is going to be passed very expediently with the support of all members. We are all pleased to see that; but that was not accomplished by stalling tactics on the part of any party.

That bill for the benefit of the injured workers in this province will not be passed expediently because one party decided it would take the course of this Legislature into its own hands. That bill will be passed because it will be brought in and passed within the framework in which this place should operate, on a co-operative basis with the working support of every member of the House.

We have to consider two things as Bill 179 draws near third reading and passage by this Legislature. There are the merits of the bill, which I feel are real and tangible. But we also have to consider the process and the situation in which this Legislature has found itself in the past month.

The motion put forward by the government House leader was necessary. It is tough medicine, but this place cannot be dictated to by the tyranny of the minority. The bill is going to come back into this House. It is going to pass.

I suggest to my friends in the third party, if they do not like the bill, and they obviously do not, they should vote against it and lobby against it. They should tell their people they do not like it. But they should allow the bill to come before this forum and all the members of this House for consideration.

They should not tie us up in knots. They should not play procedural games. It is the New Democratic Party, not the undemocratic party.

I have heard a number of other names suggested recently. It is not the new demolition party. It is in that party's interest as well as in the interest of every member of this House to see this bill debated.

I regret that there was not more time for full debate in the House on the bill, but that is the situation into which we were forced by the tactics of one party. If there is a message in this for all members, it is that it is in the interest of all members and in the interest of the people we serve that this place work.

Mr. Allen: Mr. Speaker, I rise to speak on the reporting back of the bill to the House from the committee of the whole.

I have listened with great care to the previous speakers this evening, in particular to the member for St. Catharines and the member for Brantford, both from ridings fairly close to that of my own in Hamilton West.

As I have in the past with respect to the debates in this House, I listened for something of substance from both of those gentlemen. I know both of them attempt to undertake a reasonable course of debate. They attempt to base their arguments on some quantity of evidence. Their manner in committees and in the House has impressed me, at least in some measure, in those respects. Yet I am puzzled by the direction both of them have taken.

The member for St. Catharines—

Mr. Eakins: A fine member.

Mr. Allen: Yes, the fine member for St. Catharines, apparently finding himself in a very difficult situation, having had the amendments his party attempted to put forward yesterday roundly defeated, should have been directing his energetic remarks in the direction of the government benches.

He should have been asking some more fundamental questions about the bill than perhaps he has up to this point, now that he has been confronted with the realities of the politics, the realities of the contents of the bill and the way in which it will apparently go forth from this House.

Yet we did not hear any of that type of argument. We did not hear any new, more profound or fundamentally realistic analysis of the bill or any attempt to set it in its proper context vis-à-vis its origin, which is from that side of the House.

Instead, like someone perplexed, like someone who has somehow been caught up in an unfortunate moment in which he suspects the

enemy has overwhelmed him, he turned in this direction, believing we were somehow out to get him and his party.

It is true we have been holding up a piece of legislation in the House, but we have not prohibited the government from bringing in ancillary pieces of legislation. We have not inhibited the process of estimates. We have not inhibited the fundamental procedure of this House.

The responsibility for the ordering of this House rests in those benches opposite. Other bills could have come in here. Bill 138 could have come into this House at any time. It was precisely because the government had put its primary priority on Bill 179 and primarily because it would not explain to our satisfaction why that bill in economic terms was necessary for this province.

9:30 p.m.

That is the problem the member for St. Catharines faced, which he refused to face up to and which, in default of that, he cast about for an enemy and turned on this party when he should have been directing his energy and his remarks elsewhere.

In the second place was the member for Brantford, one of whose colleagues told us the other day that the members on that side had only contributed something like three hours and 51 minutes to all the parade of debate that had gone on before. I ask him, "Why?" It was because they were not prepared to present to this House, to either the Liberal or the New Democratic benches, a sustained, profound and realistic analysis of the economy and of the fiscal state of this province, and to set in that context the bill they were proposing to us as an answer for the economic woes of this province.

If they spent only three hours and 51 minutes out of that parade of time, out of that parade of speakers, then I do not know who they have to blame but themselves.

Hon. Miss Stephenson: Try getting the floor.

Mr. Allen: There was lots of time to stand up in here.

We asked many questions. We cited numerous economists in this province who were sceptical, one after another, of the foundations of this bill, of the intent of this bill and of the consequences of this bill.

In spite of offering that parade of evidence, in spite of the evidence they were confronted with from representation after representation, in spite of what they no doubt will have read in

some of the places I have read, which I will cite in a moment, and in spite of doubts that arose in the course of the last two or three months about this legislation, the members opposite persisted in presenting it in its original terms, arguing that somehow it would affect inflation, somehow it would reduce interest rates, somehow one sector of the community could be vested with the blame for the whole inflationary process.

We have tried to show and to argue, citing statistics, referring to the Auld report, for example, that those who are blamed in this legislation and in the introductory remarks surrounding it cannot statistically be demonstrated to be the source of inflation, and that to blame them is simply perverse.

In the second place, we have wondered when the Treasurer has come into this House and has told us he wanted somehow to make way for the private sector in borrowing in the capital markets of the nation. He warned that the pressure of government deficits and spending was pressing in upon the money markets of the nation, driving interest rates up and competing with the private sector. Yet he knew all along that he had not gone to the private money markets since 1978. He knew very well his borrowing came from other sources. He knew he borrowed at reduced interest rates. Yet he pretended to us that somehow or other this proposal was going to take the pressure off the money markets in some odd way by waving the bill in the air and by passing it in this House.

It will not do anything of the kind. It cannot reduce the level of inflation in any marked measure. It does not speak to prices in general, it does not speak to energy costs and it does not speak to interest rates.

He spoke in terms of taking the burden of government off the private sector, presumably referring to taxation. Yet he knows very well his government has so reduced taxes in the private sector that business taxes now account for something like seven per cent of provincial revenues.

We have tried to cite evidence like this. We have asked and asked the benches opposite for some discussion of the economics of this bill. We have heard no discussion; we have had no response. Now we hear that we are the party that somehow has been obstructing the process of reason in this place.

We have asked for reasoned responses, and we have had none. We have tried to present reasoned arguments, and we have had none. We have tried to secure an opportunity for the

community to put its reasons, and the government did not listen.

So who, I ask, is obstructing reason in this House? Indeed, this bill itself is an affront to the reasoning process as applied to the economic system. This legislation is an affront to the whole process of reason in the industrial sector of our economy.

There is only one real, substantial dimension of industrial democracy in this country, and that is vested in the collective bargaining process. It is a process that is undertaken, it is true, in the terms of a confrontation of power, but it is also a process in which reason can exercise. And this government—

Mr. Philip: With the Liberals.

Mr. Allen: —and if the Liberal Party continues to support the bill in principle and in fact at the end of the day, this government stands opposed to the use of reason with its own workers and in the bargaining processes of the whole public sector.

They tell us we are the party that somehow opposes the processes of reason in this place. When a bill so undermines the process of reason and negotiation in the marketplace itself, then I say to the members opposite, that is the kind of affront that not only requires a reasoned response from this side of the House, it requires a passionate response.

When I think back to the classes I took in British history, which reviewed for me the emergence of the parliamentary system, it was not a process that emerged as a consequence of a few gentlemen getting together and having a reasonable discussion. Let us remember that kings were beheaded in that process. Let us remember that the winning of the initiative on the part of the Commons, perhaps the foundation of the beginning of substantial modern parliamentary democracy, was a passionate battle.

Let us remember that at every step down through the history of parliament, when one group or another tried to find access to the means of limiting the authority of the crown or, in other terms, of participating in the authority of the crown, they were involved in a passionate struggle to achieve their objectives.

The procedures that are now being talked about as somehow or other holding up the exercise of the majority were constructed precisely in order to hold the trammels and the procedures of arbitrary authority at bay.

I ask the gentleman opposite who has asked with some sympathy what we would do on our

part if we were in their shoes, what would the member for Brantford do if he were in ours? Would he not want the very procedures that he is now suggesting should be abridged to remain in place for a time in the future when he would want to take advantage of them for good purpose?

I do not want to prolong my remarks further, but I would like simply to conclude by referring to one of several contributors to *The Magazine That's All About Small Business* in December of this year. This interesting commentary on the six and five and the nine and five formulas is very sceptical throughout, I must say.

9:40 p.m.

The one that struck me most of all was that by the chief economist at Canada Permanent, Mr. Earl Bederman. He makes some very interesting remarks about the impact of the restraint legislation upon what he considers to be important processes of collective bargaining. He says:

"As one looks through the restraint programs, one cannot help but get the impression that the voice of labour is being neither heard nor listened to at present. Despite the government's musings, labour's complaint that it has become the scapegoat for all our economic ills has not been repudiated.

"In the public sector, there is mounting hostility which stems from the cancellation of existing contracts and the beliefs that the true intent of the restraint measures is to undermine the unions' legitimate right to exist. In the private sector, there is the sense that many businesses are seizing upon six and five and nine and five as easy opportunities to bring wages down at a faster pace than warranted by their own particular circumstances. They are, in effect, hiding behind the restraints in order to squeeze a few more dollars of profit.

"In these times, we would do well to remember that Canada's poor wage-cost performance has been exceeded only by our abysmal labour relations. . . . The most successful trading nations, such as Germany and Japan, are built upon stable management-labour-government relations. Rather than address this subject, the six and five restraint program might well be making matters worse.

"The renewal of the collective bargaining process"—this is Earl Bederman, chief economist of Canada Permanent—"is essential if we are to build solid foundations for Canada's economic future. This is a glorious opportunity to initiate that process."

Yet what has happened is that instead of

taking hold of that glorious opportunity, we have set collective bargaining relations back in this province who knows how many decades because of this bill.

Mr. Stevenson: Mr. Speaker, like the member for Brantford, I rise to speak on this bill with some mixed emotions. I am pleased to support the reporting of Bill 179 but I regret that it has followed this sort of route through the Legislature and committee.

Last week when our House leader introduced government motion 10, he stated that we had spent some 138 hours on the debate of Bill 79. I believe it was 38 hours in the Legislature, and many days in committee hearing almost 80 briefs from concerned individuals and groups. As a member of that committee, I listened with great interest to the views put forward by those groups and the questioning and the views of the individual members of the committee and parties involved.

It was very interesting to hear those views and to take part in the exchanges that occurred, but after a while it became quite clear in committee, as it was in the House, that we were experiencing substantial abuse of the rules of the committee and certainly an obstruction to the flow of legislation through that committee. I suppose one could say what it broke down to was the sanctimonious sensitivity of the socialist cynics.

Mr. Foulds: I like that. Who wrote it for you? That is quite an alliteration.

Mr. Stevenson: We witnessed more of that this afternoon in the debate on the no-confidence motion. I think it is very clear to anyone involved in the procedures around here that the Legislature must work. Each of us as individual members has the opportunity to put forward our views, as does each party, of course. Clearly, whether we agree with the legislation and whatever party we belong to, in time the legislation must go through and the Legislature must work.

It is unfortunate that the government was compelled to bring in motion 10 and it is unfortunate that the bill is coming to this sort of finality.

I suppose we could also say it is unfortunate that Bill 179 had to be introduced in the first place, but quite clearly we are in difficult economic times, and the difficulties in the economics of countries and companies are certainly not limited to Ontario or to Canada. Anyone who has travelled in the industrialized world in the last year or two is very familiar with

the sort of consolidation and restraint that is going on not only here at home but also in countries around the world.

Mr. Martel: Like Poland.

Mr. Stevenson: Yes, that is an excellent example.

In Ontario in the last two years we have seen a reduction in corporate profits of approximately 10.5 per cent. In the early part of 1982, there was an additional 50 per cent drop in the profits of Canadian companies.

Interjections.

The Acting Speaker: Order.

Mr. Stevenson: With continuing and increasing unemployment and with the poor financial position that many of our private sector companies are in, quite clearly government revenues are down and will continue to be down for some time.

In some areas of the private sector the open-market system is working. Indeed, in my own riding, the great riding of Durham-York, there are examples of hourly paid workers who are working at no increase in wages and salaried people who have taken a 15 per cent cut in order to keep a company there in healthy financial condition to allow it to compete in the domestic market as well as in international markets. These people have made those moves and taken that restraint to maintain their jobs for the present and on into the future.

You can look around in other areas as well. Certainly many of our farmers are competing in an open market. Many of their commodities are priced on the world market. The farmers would be delighted to have a five per cent increase in 1982-83. In fact, they would be very happy to maintain the net income they have had in the past year, but they are likely going to have to accept less. Prices on commodities are down, and the inputs in most areas are certainly up.

It is largely these companies, these small businesses and these individual people who will be paying the revenues of this provincial government, and quite clearly it seemed to be a responsible move in tough times to try to limit the tax increases and in some form or other to restrain the wage increases of the public sector, as Bill 179 does. It restrains the wage increases to five per cent. Many areas, I repeat, would be very happy to have that five per cent increase.

The member for Brantford referred to the situation in Quebec, where there have been substantial cuts in the last year. We have only to look across the Great Lakes to some of the

states that are adjacent to this good province, and there, in economies that are very similar to the economy of this province, we find large cuts in municipal spending, local and state police budgets being cut, and budgets cut to primary, secondary and post-secondary education. Of course, we are quite familiar with the fact that in many situations in the US, unions are working for no wage increase in order to try to keep their companies competitive.

I do not think anybody argues that workers should not get their fair share; and when the economy is buoyant, they should share in that buoyancy. But when their futures or their jobs are at stake, then surely they can bear at least some of the concern for that company to try to keep the company going, maintain their jobs and maintain the welfare of their families. Certainly some of them have not had that option. I agree with that, but those who have can at least share somewhat in that responsibility.

The member for Hamilton West said the other legislation has been held up because we put our priority on Bill 179. Certainly we put our priority on Bill 179 because we put our priority on the economy of this province. The members of this party care about jobs. They care about the homes of the people in Ontario. We are doing everything we can to keep things as buoyant as possible in these troubled economic times.

I said earlier that it was unfortunate Bill 179 has taken this course through the Legislature but at this point I am pleased to support the reporting of the bill.

9:50 p.m.

Mr. Di Santo: Mr. Speaker, I would like to participate in this debate even though it is only for a short time because I am more convinced than ever, after 138 hours, that what we did was right. I do not regret for one second that I spoke for so many hours on second reading. If I could I would have spoken at even more length on third reading.

If I was not convinced what the New Democratic Party did was right, I would have been convinced tonight by the speeches made by the member for St. Catharines, the member for Brantford and the member for Durham-York (Mr. Stevenson)—

Mr. Philip: The Liberal-Conservative coalition.

Mr. Di Santo: Liberal-Conservative coalition.

Before coming into the House tonight I read a press release of the Liberal caucus which said: "The layoff figures for October are out and they

are intolerable. The figures reveal that almost twice as many workers lost their jobs in October as in the preceding month, stark testimony of the failure of the Ontario government to respond adequately to our deepening economic malaise."

The very reason the New Democratic Party is opposed to Bill 179 is because it is punitive in that it selects one sector of the employees of the province, the public sector, and punishes them—and they have no right to fight against the government.

The member for Brantford should know of our very serious unemployment problems because thousands of people have been laid off in his riding. Thousands of workers are unemployed in the construction industry and in the manufacturing sector, and surely the duty of members of a government responsible to the people who elected them should be to create jobs, not to punish a sector of workers in our society.

I do not think Bill 179 will help to solve any problems we have. It will not solve the problem of inflation. It will not solve the problem of unemployment. It will not solve the problem of the recession we are going through. The Treasurer does not understand that because he was at his best only when he was selling used cars. He does not understand economics. He does not understand what is happening in the real world. He does not understand there are people now working who are having their contracts set at much lower levels than the inflation rate.

If the Treasurer reads the papers his friends publish, if he reads the *Financial Post* of December 11, he will understand that the bill he introduced is not only useless, it is harmful. The *Financial Post* said, talking about the six and five provincial plan, it should also speak to the Liberals who are supporting Bill 179. It said, "It has taken last week's Conference Board of Canada report on wage settlement to alert us to the folly of six and five and its offspring, which is Bill 179."

It goes on to say, and I hope the member for Durham-York listens, "Canadian businessmen who seem incapable of understanding either markets or politics cheer the advent of an unnecessary and ultimately extremely harmful program."

We too think this is a harmful program, that it is devastating, because it hits people who are in the lower economic bracket of the province. The garbage collectors of the city of North York and the caretakers of the Metropolitan Toronto School Board are not the people who are creating inflation.

We know this is a more complex problem and we also know that inflation is not the top priority we should be concerned with. Unemployment is the real problem, and the downturn in the economy. But of course the government chose an easy target and the Liberals are supporting them even though they come out with press releases denouncing the inadequacy of the Tory government in fighting the real problems of the province.

I want to close my remarks by reminding the assembly of the warning from the Most Reverend John Sherlock, the Bishop of London. He said this bill is in violation of the basic norms of justice because it is a violation of the collective bargaining process that has been instituted and accepted by the social parts in this province. It does not address the problems of prices. We have been arguing that it is not fair to freeze the wages of the civil servants when property taxes keep increasing and Bell telephone bills and hydro bills keep increasing.

I think this bill is neither equitable nor fair. For those reasons we have opposed it and we feel it is really a shame the Liberals are supporting the Conservatives. We will vote against this bill time and time again.

Hon. Mr. Drea: I just want to make a few remarks in the closing minutes of this debate on the question of the report. Along with some earlier speakers, I am going to try to be nonpartisan tonight although I do not think it will last very long. Along with some other earlier speakers, I find it somewhat sad that this motion, this procedure, the bouncing up and down of last night and all the things that tend to make the public consider parliaments to be more and more irrelevant, had to occur.

It is a sad admission to make publicly that the thing that holds parliaments together has failed—that is, the ability to go beyond the bare minimum of rules which are established in order to produce a compromise or a consensus or a working order. And when this has failed, there is no assurance it is a once-in-a-lifetime event. Unfortunately, unless the greatest of precautions are taken—and in this case there is the goodwill of all members in the future—there is a tendency that once something has occurred, the second, third, fourth and fifth times become eminently easier.

10 p.m.

However, I am optimistic about the ability not only of the members of the House responsible—that is, the House leaders of the

parties and the various caucuses—to ensure this is not required again, but also of the individual determination of the 125 members of this parliament that we must begin to look a bit ahead if we are to fulfil our basic duty to the public. That is that this institution is not just a traditional one but is really relevant to our current times and is probably more relevant than ever.

Bill 179 is a good bill and a fair bill, but we are not debating Bill 179 tonight. The one thing that does concern me is the persistent apologia by some members, particularly of the third party. Frankly, were I over there, I would not be part of any apologia. The simple truth is that from the day this bill was announced, let alone introduced, they were going to use every single technique of the rules, popular or unpopular, to delay its passage as long as possible.

Because of the numbers, delay was all that could be done. From the moment the bill was introduced, the die was cast. It was going to speak. I think the one regret the members have is that the traditional role of the opposition was thwarted. The traditional role of the opposition is to oppose, but to oppose in a way that would make the particular piece of legislation better. If it is absolutely worthless, then it is to be voted out.

Mr. Renwick: What nonsense. Have you ever sat in opposition? Has anybody over there ever sat in opposition?

Hon. Mr. Drea: The member's role over there is simple. He thinks he can stop this House and make it do whatever he wants, whenever he wants. He is learning now he cannot do it. Instead of having a heart attack, he should act like a dignified senior citizen.

The role of the opposition is to oppose and, if the bill is worthy, to make it better. There is no role for an opposition that will keep a bill deliberately from being passed because they have—

Mr. Renwick: Don't tell us what the role of the opposition is.

Hon. Mr. Ashe: A responsible opposition that is.

Mr. Martel: That's right.

Hon. Mr. Ashe: You fellows are not responsible.

Mr. Martel: It is called responsible government too.

Hon. Mr. Ashe: That is right.

Hon. Mr. Drea: Responsible government is when the public elects a party to govern. How long is a bill delayed until something has to be

done? That is, not to delay a bill to make it better, but to delay a bill—and I am going to give the benefit of the doubt—until the government gets so tired of it that it abandons it.

In short, how long is enough? If the government had not moved this—and I give great credit to my House leader for the manner in which he did it—this bill, notwithstanding the fact it has great support from and beyond these precincts, would simply have been tied up in a meaningless and endless debate on clause 1(a), even on the title of it. The time really has come when there has to be a very concerted look by members of this Legislature at ways to ensure that this type of motion never has to be used again.

Mr. Swart: It did not have to be used this time.

Hon. Mr. Drea: No, it did not have to be used this time; not if the member had acted as an adult.

Mr. Martel: Yes, grandpa, tell us about it.

Mr. Speaker: Order.

Hon. Mr. Drea: Is the honourable member using that as a derogatory term?

Mr. Martel: No, I have a grandfather too. He is much more sensitive, I can tell you.

Hon. Mr. Drea: After the performance of that member here last night my only regret is that it is not on film for the future edification of people. If the public ever saw what went on here last night, the bouncing up and down, merely to—

An hon. member: It is called voting.

Hon. Mr. Drea: Yes, it is called voting; 37 times. Is the honourable member proud of himself for last night? Delightful. He has his little red sweater on: "We are all part of the proletarian mob and we are all going to move forward." Yes, we are.

I want to suggest the bill is a good bill and a fair bill. The bill was thwarted by the unnecessary use of procedural delays. The opposition did not get a chance to produce its amendments. But the one hopeful note was last night, when one group of people—

Interjections.

Mr. Speaker: Order.

Hon. Mr. Drea: When one group of people, the nurses in Etobicoke—

Mr. Speaker: The minister's time has expired.

Hon. Mr. Drea: Mr. Speaker, if I might conclude on an optimistic note: Last night, the case of one group, in a situation obviously beyond their control—and I refer to the nurses

in Etobicoke—was put to the goodwill of the House and this parliament became very relevant again, because there was unanimous consent. Those people—

Interjections.

Mr. Speaker: I must call the minister to order. His time has expired.

Hon. Mr. Drea: All I wanted to do was end on the note that, notwithstanding all the hostility and bitterness, there is optimism for the future of the House, and particularly to avoid a repetition of this type of solution to an impasse. Thank you, Mr. Speaker.

Mr. Foulds: Mr. Speaker, I do not believe this bill should be reported for third reading. In the next eight minutes, I want to outline five basic points explaining why that is so.

First, I want to say very clearly that at loggerheads here are contrasting views between this party and the other two parties about the role of parliamentary democracy.

We in this party do not believe it is the role of the opposition merely to rubber-stamp government legislation no matter how much we oppose it. We do not believe it is "the traditional role of the opposition simply to roll over and play dead and vote against it."

I want to point out to this House that many bills have been before this Legislature over the last 10 or 11 years that have taken much longer in debate, much longer in committee, than this one has. There was the School Boards and Teachers Collective Negotiations Act, the Child Welfare Act and the Education Act.

Back in 1973, there was Bill 274, which this government withdrew because of opposition in this House. It was our objective from the beginning to get the government to withdraw this legislation. I admit tonight that we failed in that objective, but let us be very clear that our objective was not merely to delay but to get the government to withdraw.

10:10 p.m.

I want to suggest to you, Mr. Speaker, the reasons the government should have withdrawn this bill and why, even at this moment, the government should withdraw this bill. The bill remains unfair and unjust. It hits civil servants whose wages are not out of line. When we think that the average 1981 wage of members in the Ontario public service was \$18,700 and that 53 per cent of the civil servants in this province earn \$17,500 or less, we see the injustice of the bill.

This bill wreaks a positive injustice upon

individuals such as Marie Mitchell, who works in the Pinegrove Nursing Home in Woodbridge. The second year of her salary had been negotiated and signed in a firm contract. That is cut back by at least \$456 and perhaps by \$706. When this government takes that kind of money out of the pocket of a worker who earns around \$11,000 a year, that is scandalous, unjust and unfair. When that very same person suffers a rent increase of 37 per cent in the previous month, that in a nutshell captures the injustice of this legislation.

In addition, the bill remains arbitrary. There is nothing in the bill that gives due process or any kind of appeal to the Inflation Restraint Board's decisions. Naïve as I am, as a lover of parliament, I remain shocked to this day at the answer I got when I raised with the Treasurer on September 27 the five arbitrary powers given to Mr. Biddell.

They are the right not to hold any hearings; the right to make any order, decision or determination and to deny any increase at all for the so-called transitional period; the sole right of the board to determine unilaterally the increases that could be as low as zero per cent, and, finally, the right of the board to award non-unionized public sector workers an increase of as little as between zero and five per cent in the control year itself.

When I asked the Treasurer whether Mr. Biddell had those immense arbitrary powers, the Treasurer replied, "I believe the member is correct on each one." Those huge, immense, arbitrary powers remain with that board.

I was not going to talk about the Liberal Party tonight, but I must point out that its amendment last night failed, as every amendment it was going to propose would have failed, because this government said from the beginning that it was unwilling to accept any substantial amendments. Members who believed they could amend this bill to improve it were living in Cloud-cuckoo-land, the same kind of land the Tories are living in when they think this bill will bring about an economic recovery for this province.

This bill creates no new jobs. Since it has been introduced, unemployment in this province has soared. Thunder Bay's unemployment doubled in one month from eight per cent to 16 per cent. Sudbury's unemployment remains at 28 per cent. Unemployment in St. Catharines is at the extraordinary rate of 19.1 per cent. What does this bill do to lessen the unemployment in those communities? Not one darned thing.

Finally, it was clear from the beginning that

the government's strategy was to get this bill through no matter what: no matter that it had to blackmail the injured workers of this province by withholding that legislation; no matter that it deliberately kept from the Order Paper the introduction of legislation it now says is necessary; no matter that it refused to use Wednesdays, as we offered, for other legislative debate; no matter that the government took this bill out of committee and forced it into this House, where there was less debating time, which the government knew full well, and which pre-empted other bills.

If there has been any obstruction in the orderly development of debate in this House, it has been the government's and not this party's.

Finally, it is no matter to this government that this bill gave no economic justice to the Marie Mitchells of this world. It is no matter to this government that this bill did not limit the rent increases of 37 per cent, the Ontario health insurance plan increases of 17 per cent, the government advertising or Ontario Hydro's rate increase.

Finally, if I may quote from Charles Dickens and the words of *A Tale of Two Cities*, "It was the best of times, it was the worst of times." With this legislation, we have the worst of this government's times and the worst of its legislation.

10:26 p.m.

The House divided on the motion for adoption of the report, which was agreed to on the following vote:

Ayes

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Birch, Brandt, Cousens, Cureatz, Davis, Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Havrot, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones, Kells, Kennedy, Kerr, Kolin, Lane, Leluk;

MacQuarrie, McCaffrey, McCague, McLean, McMurtry, McNeil, Miller, F. S., Mitchell, Norton, Piché, Pollock, Pope, Ramsay, Robinson, Rotenberg, Runciman, Scrivener, Sheppard,

Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman, Yakabuski.

Nays

Allen, Boudria, Bradley, Breaugh, Breithaupt, Bryden, Cassidy, Charlton, Conway, Cooke, Copps, Cunningham, Di Santo, Eakins, Edighoffer, Elston, Epp, Foulds, Grande, Johnston, R. F., Kerrio, Laughren, Lupusella, Mackenzie, Mancini, Martel, McClellan, McEwen, McGuigan, McKessock, Miller, G. I.;

Newman, Nixon, O'Neil, Peterson, Philip, Rae, Reed, J. A., Reid, T. P., Renwick, Riddell, Roy, Ruprecht, Ruston, Samis, Spensieri, Stokes, Swart, Sweeney, Van Horne, Wildman, Worton, Wrye.

Ayes 68; nays 53.

10:30 p.m.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, just before the adjournment of the House, I wish to announce the business for the next few days.

Tomorrow, the House will be meeting in the afternoon at two o'clock, and we will be dealing with third reading of Bill 179, with a vote at 5:45 p.m. and a 10-minute division bell, if necessary. The House will not sit in the evening, because, of course, tomorrow evening is your very festive Christmas party, Mr. Speaker. In the morning, the justice, resources development and general government committees will meet.

On Thursday, December 16, there will be no private members' business in the afternoon, and in the afternoon and evening we will deal with second readings and committee of the whole House on Bills 191, 205, 198, 188, 196 and 127.

On Friday, December 17, we will either continue on these bills or we will deal with concurrences. If we deal with concurrences, I will announce the orders for those tomorrow.

The House adjourned at 10:32 p.m.

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SPEAKERS IN THIS ISSUE

Allen, R. (Hamilton West NDP)

Ashe, Hon. G. L., Minister of Revenue (Durham West PC)

Bradley, J. J. (St. Catharines L)

Breaugh, M. J. (Oshawa NDP)

Cassidy, M. (Ottawa Centre NDP)

Cousens, D., Deputy Chairman and Acting Speaker (York Centre PC)

Cureatz, S. L., Deputy Speaker and Chairman (Durham East PC)

Di Santo, O. (Downsview NDP)

Drea, Hon. F., Minister of Community and Social Services (Scarborough Centre PC)

Eakins, J. F. (Victoria-Haliburton L)

Foulds, J. F. (Port Arthur NDP)

Gillies, P. A. (Brantford PC)

Gregory, Hon. M. E. C., Minister without Portfolio (Mississauga East PC)

Johnston, R. F. (Scarborough West NDP)

Mackenzie, R. W. (Hamilton East NDP)

Martel, E. W. (Sudbury East NDP)

McClellan, R. A. (Bellwoods NDP)

Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics (Muskoka PC)

Philip, E. T. (Etobicoke NDP)

Renwick, J. A. (Riverdale NDP)

Samis, G. R. (Cornwall NDP)

Stephenson, Hon. B. M., Minister of Education and Minister of Colleges and Universities (York Mills PC)

Stevenson, K. R. (Durham-York PC)

Stokes, J. E. (Lake Nipigon NDP)

Swart, M. L. (Welland-Thorold NDP)

Wells, Hon. T. L., Minister of Intergovernmental Affairs (Scarborough North PC)

Wildman, B. (Algoma NDP)



Ontario

LEGISLATIVE ASSEMBLY

No. 175

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Wednesday, December 15, 1982

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Wednesday, December 15, 1982

The House met at 2 p.m.

Prayers.

TIME ALLOCATION RULE

Mr. Nixon: Mr. Speaker, on a point of order: Although you were not in the chair Monday night and the House was in committee of the whole, you are no doubt aware that under the requirements of the time allocation resolution, as interpreted by the chairman, we as members were required to make 32 standing votes in the time available for that purpose.

It occurred to me then, and I still believe, that it was not a proper interpretation of the requirement of the time allocation rule; but if it was a proper interpretation, it put all of us, as members, in a somewhat ridiculous position. For some of us, such as the Premier (Mr. Davis), now older than 50, it was probably a severe strain on their circulatory system. The last thing we want is any sort of infarct on the part of the head of government or anybody else who is over 50 and overweight.

I wonder whether the Speaker would undertake to review the wording of the resolution and its interpretation. In the unlikely event we are ever faced with the same situation, perhaps he might recommend either a change in wording or an interpretation of the present wording that would be a little more fitting with the dignity of this House.

Mr. Speaker: Thank you.

Mr. Nixon: Did you say yes, you would?

Mr. Speaker: I said, "Thank you."

Mr. Nixon: Will you consider a reduction?

Mr. Speaker: Yes, I shall.

Mr. Sargent: Mr. Speaker, in supporting the motion, I felt a severe back strain from all that stuff too.

Mr. Boudria: On a point of privilege, Mr. Speaker: We notice again today that at the time of ministerial announcements, the Minister of Education (Miss Stephenson) is not in the House. She made—

Mr. Speaker: Order. That is not a matter of privilege or even a matter of order.

Mr. Boudria: Why?

Mr. Speaker: Because I so rule.

Mr. Nixon: Here comes the Minister of Education now.

Mr. Boudria: Do you have a ministerial announcement today?

Hon. Mr. Pope: That's none of your business.

Mr. Boudria: Franco-Ontarian education is everybody's business.

Mr. Speaker: Order.

ORAL QUESTIONS

DEATHS AT HOSPITAL FOR SICK CHILDREN

Mr. Peterson: Mr. Speaker, I have a question for the Attorney General with respect to the investigation being carried out by the police into the incident at the Hospital for Sick Children.

Will the Attorney General confirm that the Ministry of Health has appointed the Atlanta Center for Disease Control to conduct an investigation into the epidemiological aspects of the digoxin findings?

Will he also confirm that the Atlanta investigation in this matter, and indeed the hospital's independent investigation, have been sharing not only basic data sources but also preliminary findings with the police?

Hon. Mr. McMurtry: Mr. Speaker, I am not prepared to discuss any of the details of the investigation while it is ongoing.

Mr. Peterson: The Attorney General said a couple of days ago he did not think the police would be continuing their work if they did not believe there was a reasonable likelihood that charges would result. Is he aware the hospital spokesman, Mr. Ken Rowe, the assistant administrator and hospital secretary, came to the conclusion through an inquiry that it appears there were "valid medical reasons for the deaths of the 28 infants which are presently the focus of the police investigations"?

How does the Attorney General reconcile the discrepancy between what he is saying and what Mr. Rowe is saying?

Hon. Mr. McMurtry: I am not going to discuss the ongoing investigation. I said obviously the police felt there was a reasonable

likelihood of laying charges or the investigation would not be commencing. I am not going to get into a debate at this time about any views that might have been expressed by any individual with respect to this investigation. The Leader of the Opposition should appreciate that would hardly be in the public interest; it would be very counterproductive. I am not going to indulge in an exercise that has the potential to undermine the investigation.

Mr. Rae: Mr. Speaker, information also has been made available to us with respect to the investigation by the Center for Disease Control in Atlanta, and the work that is being done by the hospital itself and by Mr. Justice Dubin, as well as the investigation that is being carried out by the Attorney General's office. In light of this and the very real discrepancy between the opinions offered by the Attorney General and those of others as to whether criminal charges will be laid, can the Attorney General at least give us an assurance that a decision will be made extremely soon as to whether any criminal charges will be laid?

If the decision is not to lay criminal charges, can he please give us the assurance he will call for a full public inquiry which will be able to have access to the data from the Atlanta centre and his own department, as well as from the hospital? Does the Attorney General not concur the very real confusion that exists should be ended and that it is time for a full public inquiry in order to get some of these facts into the light of day?

2:10 p.m.

Hon. Mr. McMurtry: I have nothing further to add to any responses I have given to questions related to this matter.

Mr. Peterson: The Attorney General seems to want to respond selectively on this matter but not when asked questions with respect to the things he has said publicly. On Monday he said there were new leads. Now we have a different kind of conclusion by Mr. Rowe at the Hospital for Sick Children. Given the high degree of anxiety which has surrounded this question from the beginning and the lack of answers that have been forthcoming from anyone, including himself, does he not feel it incumbent upon himself at least to reconcile these quite divergent opinions that have been expressed?

Hon. Mr. McMurtry: If the leader of the official opposition harboured any real feeling of responsibility in respect to this very difficult,

sensitive, complex issue, he would not be pursuing debate during an ongoing investigation.

Certainly I have been selective in my responses. I have been very careful not to say anything that can hinder the investigation. I am not going to get into a debate about any opinions that might have been offered from any quarter with respect to any aspect of the evidence. He should appreciate that it would be irresponsible for me to take any other position at this time.

Mr. Peterson: I thought I just saw the Treasurer (Mr. F. S. Miller). Has he disappeared? Is he hiding under the desk?

Hon. Mr. Wells: He will be back in a minute.

Mr. Peterson: Is he worth waiting for?

Mr. Rae: Is the question worth waiting for?

Mr. Peterson: Would the Premier like to stand up and wear his Argo jacket for awhile and waste some time until he comes back?

Mr. Speaker: I hope we would not hold up oral question time waiting for someone not in the chamber.

Mr. Peterson: Does anyone have a point of order as we wait for the Treasurer?

Mr. Speaker: There is nothing out of order that I know of.

Mr. McClellan: Think of a third question, quick.

Mr. Peterson: I see him. Wonderful.

Mr. Kerrio: Speak of the devil.

Mr. Peterson: Welcome back.

UNEMPLOYMENT

Mr. Peterson: I have a question for the Treasurer, Mr. Speaker. I gather I missed a fine exchange yesterday between him and the very able deputy leader of this party. I gather from Hansard that in one response the very able Treasurer said, "I do not think the worst is ahead. I think the worst is behind." I think those were his words. How does he reconcile that with the forecast of a number of economists?

The federal government, the Conference Board of Canada, Wood Gundy and most other forecasting groups say unemployment will continue to worsen for at least another six months. The Department of Industry, Trade and Commerce survey of business spending intentions forecasts an even larger decline in 1983 than this year. In general, economists have been revising their expectations for recovery downwards in the United States. The trends in employment, unemployment and layoffs have been worsening, not improving.

How does he reconcile his statement yesterday with his statement of November 25 when he said, "Right now we believe the general trend in employment will be downward before it is upward." What does he actually believe the future holds for this great province?

Hon. F. S. Miller: After question period yesterday, as I recall, a member of the press asked much the same question. He said, "Are you not inconsistent in the two statements you have made?" I pointed out to him I was not. I have said in this House the measure of unemployment is not likely to improve according to the forecasters, and that is seen on most days of the week as the one and only measure of what the economy is doing. I accept that as being a reasonable prediction—that unemployment is not suddenly going to lessen. This is for a number of reasons, one of which is that the current rate of utilization of people at work is not very high in many companies. So even as orders improve, there will not necessarily be a quick return to employment or rehiring.

However, just today I saw Massey-Ferguson, and I think it was General Motors, bringing back people, and those are both very encouraging signs. I think 1,450 people in Brantford are being called back—

Mr. Nixon: Not related to sales, unfortunately.

Hon. F. S. Miller: Just a second now. The member is trying to take both sides of this argument, and he knows that.

Mr. Nixon: It has not done anything for Brantford yet.

Hon. F. S. Miller: The member has quoted some reputable economists, to whom I have also listened. In fact I had the opportunity to cross-examine one or two of the people from those companies this week in preparation for my trip to Ottawa tonight. They agreed that both statements may be true. We are now predicting an improvement in the real gross national product, both in the United States and Canada, through all four quarters of 1983. We are also saying that, because of the rate of addition to the labour force and the under-utilization of some companies, unemployment statistics may not evidence that for the next short while. However it is believed that the economy, as measured by GNP, is improving.

Mr. Peterson: Mr. Speaker, I think most normal people find what the minister is saying very difficult to understand. He has said he does not think the worst is ahead, he thinks it is behind. Apparently, unemployment is not fac-

tored into his thinking as to what measures real GNP growth. Could the Treasurer share his specific forecast with this House? Against what is he comparing his performance? What are his forecasts? What is he expecting for this province in the next six months? Surely these are reasonable requests to make of the Treasurer so that we can have something against which to measure the success or failure of his policies.

Hon. F. S. Miller: I hope the Leader of the Opposition knows that if one measures GNP it is usually against the previous quarter or the previous year, depending upon the time frame one is comparing. When I say that GNP will improve in Canada by something between one and two per cent in the year 1983, that is to be compared with the year 1982.

Mr. Rae: Mr. Speaker, quite apart from whatever theoretical forecasts there may be with respect to unemployment or GNP or anything else, I think the House really wants to know what perspective from Ontario, the manufacturing heartland of Canada, the Treasurer is going to be taking into these meetings tomorrow with the other finance ministers. Is the minister going to push for a program of stimulus, for a program of job creation, by all levels of government as well as the private sector, or is he simply going to be urging continued restraint on government when faced with the most serious recession this province and this country have known since the 1930s.

Hon. F. S. Miller: A few people in the last year have accused this province or the federal government of a restraint budget. The member may call it a restraint budget. Perhaps he does not think borrowings are critical. The criticism I have heard from the Liberal benches, and once in a while from his benches over the last while, is that I have allowed my cash requirements to go up 92 per cent or 84 per cent, or whatever figure they pick up on a given day of the week. They throw that back in my face, saying: "You must not do those kinds of things, you naughty boy. You must not go ahead and try to help create jobs through your budget," as we did; "or through co-operation with the federal government," as we did.

Of course, I am going to listen tomorrow to what Mr. Lalonde has to say. I do not know whether he was trying to fly a balloon in the air last week when he talked about massively increasing the deficit and having large capital works programs. I can only say Ontario is going to that meeting in a spirit of co-operation aimed

at solving the problems of the economy of this country and putting people back to work.

Mr. T. P. Reid: Mr. Speaker, the Treasurer is going from voodoo economics to Pollyanna economics. I suggest he might want to rent Grant Devine's psychic, because he is not doing too well on his own.

Did the Treasurer say on the radio that one of the ways to deal with chronic unemployment, to get the economy going again, was to do something about the retail sales tax? I understood he said that today or yesterday. If he did not, since he made the biggest blunder of his life in expanding the retail sales tax, is he now considering reducing the tax to five per cent or doing away with it altogether, as he has done in the past, on some items?

2:20 p.m.

Hon. F. S. Miller: Mr. Speaker, with the wonders of modern electronics, I am always afraid to stand up and say I did not say something on radio. I am afraid someone with spliced tape—and I know no one up there ever did that—would come back and show me my words. However, I looked at the Ottawa Citizen and I looked at the Toronto Sun and both of them assured me I did not say that. If they assure me of that, then I am safe.

In any case, the question did pop up in the press gallery, in the scrum yesterday following question period. Because we will be talking about possible stimuli, and because someone asked if I was going to take sales tax off, I said, "First, one does not speculate in the sales tax area for the simple reason there are too many people out there waiting for some kind of signal to say it is going to happen."

Second, I do not see that now as my solution in Ontario for the unemployment problem, because certain of the items in the big-ticket field have had that approach used fairly frequently lately. I would rather see some other measures taken at the federal level in co-operation with us. I am not trying to pass the buck.

Let me just mention one that is in Ontario's paper tomorrow. If one accepts the fact that many of the unemployed are able to do routine maintenance jobs around homes, one could offer some kind of income tax credit for people who hired unemployed persons in Ontario or Canada to do winter home maintenance or building projects. It was simply one we put down as an example. It is not a sales tax example. It is an income tax example.

HOUSING SUPPLY

Mr. Rae: Mr. Speaker, my question is to the Minister of Municipal Affairs and Housing. It concerns one of the answers he gave in the House on Monday. He said: "This government has been able to provide, along with private industry, a very acceptable form of housing."

How can the minister say that given the fact there are literally hundreds of people living in hostel accommodations here in the city of Toronto, and people who are actually sleeping on the floor, not just for one night but for the whole of the winter? When we know that is happening right here in Toronto, how can he possibly say the government and private industry have been able to provide a very acceptable form of housing?

Hon. Mr. Bennett: Mr. Speaker, let me assure this House my remarks of Monday will not be altered a bit on Wednesday, regardless of the question of the leader for the third party.

I say on behalf of this government, and of the federal government and the private sectors, that the quality of housing in Ontario does not have to take a back seat to any jurisdiction in North America or in the world. Indeed, we have as good a quality as he will find.

Mr. Rae: I do not understand the answer. The member for Scarborough West (Mr. R. F. Johnston) and I met this morning with representatives from the Salvation Army, the Anglican All Saints Church, with the program head of the Fred Victor Mission and with the director of the Fred Victor Mission and the director of Dixon Hall. We were told there were literally hundreds of people who were living in emergency accommodation, not just for one or two nights but for months at a time. The reason was simply that there was no affordable housing in the downtown core of the city; that was the reason—a lack of affordable housing.

The fact is this government's program and the work of the private sector produced a net loss of 72 private rooms in Toronto in 1981 and the average rent for a room was \$186. How can the minister possibly say this government has done anything to provide affordable accommodation in downtown Toronto and in many other communities across the province, when dozens of people who want an affordable place to live are living in emergency accommodation and have to sleep on the floor?

Hon. Mr. Bennett: Mr. Speaker, I understand the Provincial Secretary for Social Development (Mrs. Birch) and the Minister of Commu-

nity and Social Services (Mr. Drea) have met with exactly the same groups and have reviewed with them the problems the leader of the third party has indicated today. I understand they are working towards a solution. We in this House cannot agree on everything but I am sure we can all agree the solution is not going to take place overnight.

I do not accept the remark of the leader of the third party that, "This government, indeed the private sector, has done nothing to try to provide for suitable accommodation in this community and in most jurisdictions across the province." Through nonprofit organizations, both public and private, through the allocations of the federal government to the provincial government for that sector and through the allocations to the private nonprofits and the co-ops, we have continued to try to bring on the market a substantial number of units, all of them heavily supported and subsidized provincially, federally or co-operatively by the two levels of government.

A year ago this government went into the Ontario rental construction loan program. Surely I do not have to go back through the figures again. We have had something in the range of 16,700 units applied for and accepted in the province. They are under construction and some of them are already completed. They are heavily subsidized by the people of the province through an interest-free loan for a fairly lengthy period of time. It accounts for \$100 million.

The government of Canada came through this year with the Canada rental supply program. That will bring rental units into place in the market that will be written down and will be aimed at accommodating the lower- and middle-income groups.

The Ontario renter-buy program also is important. As of today—

Mr. R. F. Johnston: Renter-buy for these people?

Hon. Mr. Bennett: May I say as of today—

Mr. R. F. Johnston: They can't buy a house.

Mr. Speaker: Order.

Hon. Mr. Bennett: The renter-buy program was brought on the market to try to—

Mr. Mackenzie: Why don't you join the real world?

Mr. Rae: Get with it, Claude, for God's sake.

Hon. Mr. Bennett: When did you become the reverend gentleman?

The renter-buy program was brought to the

marketplace to try to ease the pressures on the rental system. As of today we have more than 11,000 units that have qualified in this province. I have no doubt we will achieve the 12,000 units we readjusted our target for.

Mr. Foulds: You were aiming for more than that to start with.

Hon. Mr. Bennett: Certainly. I have said it many times and if the member had been down to my estimates he would have heard me indicate clearly that we had readjusted our figures in a downward direction. There will be a minimum of 12,000 units. If one extrapolates that, one will find that if they are not renters who have gone into purchasing they are first-time home purchasers who would have been looking for rental accommodation.

I think what the federal and provincial governments have been able to do, along with the private sector, has been remarkable in today's economy.

Mr. Boudria: Mr. Speaker, regardless of all those numbers the minister is enumerating for us would he not agree there are a substantial number of people in Ottawa, the minister's own city, here in Toronto and elsewhere with no accommodation and no money? The minister witnessed some of them in tents this summer right at the steps of this Legislature. Would the minister not admit his government should involve itself directly, right now, to convert anything he can get his hands on into emergency shelter for this winter?

Hon. Mr. Bennett: Mr. Speaker, my first responsibility as the Minister of Municipal Affairs and Housing is to try to get permanent units for people. Emergency housing does not fall within the confines of this ministry. It is under the Ministry of Community and Social Services and the municipalities.

As to the third part of the member's question about conversion, I trust the member will realize some of the problems we will encounter in trying to do conversions, whether it be in his community, my community or other jurisdictions of this province. One will be an understanding by the communities themselves to allow for that conversion within the zoning requirements of those communities.

Regarding the emergency housing aspect, my colleague the Minister of Community and Social Services has been working on that very subject.

2:30 p.m.

Mr. R. F. Johnston: Mr. Speaker, I think in Toronto we are actually starting to meet the

need for emergency housing this winter, but I want to bring the minister back to the fact that all the missions seem to tell us that more than 50 per cent of the people who are in emergency housing at the moment should be out in permanent, affordable housing and they cannot get it.

Will the minister try to respond to some creative ideas in the area of assisting the Fred Victor Mission to open up the 75-bed facility it wants to open up? Within the area of All Saints there are about 20 buildings that are boarded up at the moment which could be opened up and used. Will he not look at experiments in infill housing immediately, and duplexing assistance to people, incentives to subdivide homes; and perhaps even make the "east of Bay" project what it was going to be in the first place, that is a major place to have subsidized housing in the city of Toronto? It is time for some particular action in Toronto right now.

Hon. Mr. Bennett: Mr. Speaker, I will call upon my colleague the Minister of Community and Social Services, if I may, to answer the portion of the question on emergency housing.

On the portion relating to innovative ideas, we ourselves in the ministry have gone forward to the municipalities with those and asked them to look at them. I assure the member for Scarborough West that regardless of the action this government might wish to take, if there is not some understanding by the municipality and, more important, as I said in my estimates and I repeat here again today, if there cannot be some common understanding and appreciation of the problem by the people in various communities where the zoning changes are going to be required, then our ratio of success will be somewhat diminished.

I have not yet heard anyone on that side of the House saying that this minister should run roughshod over municipalities and change the zoning to accommodate that imaginative housing delivery program. The honourable member should not sit there and shake his head, because 90 per cent of the zoning will not accommodate the type of divisions of housing units that will be required. Unless that zoning is accommodated and changed by the municipality, the success ratio will be just about nil.

That is what we are working on. We have discussed it with the mayor of this community, my community and other parts of the province.

As for the first part of the question, if the member wishes, I will redirect it to my colleague.

HOMEMAKER PROGRAM

Mr. Rae: Mr. Speaker, my question is of the Provincial Secretary for Social Development. I ask the minister to cast her mind back to the throne speech of this year and to recall that there was a firm commitment in the throne speech that homemaker programs would be provided in five or six areas commencing in 1982. Since we are coming to the end of 1982, can she tell us in which area a homemaker program has been commenced in Ontario? If there has not been one started, why has it not been started?

Hon. Mrs. Birch: Mr. Speaker, that was a policy statement in the speech from the throne. I think the question should be directed to the minister responsible for the operation of that program, the Minister of Health (Mr. Grossman).

Mr. Rae: I thought the minister had some responsibility for the seniors secretariat and, I would have thought, some responsibility for the implementation of a program that deals with seniors. I am new here, and I could be wrong, but I thought the seniors secretariat did report to the provincial secretary.

I am quoting from the speech from the throne. It says: "It would be involved with the needs, particularly with respect of the needs of frail, elderly people." If that is true, if the homemaker program is dealing with the needs of frail, elderly people, how does the minister feel about the fact that the government apparently has not lived up to a commitment to provide homemakers' services for seniors, people whom I understand she takes some responsibility for in the Ontario cabinet?

Hon. Mrs. Birch: The seniors secretariat, which does report to the Provincial Secretariat for Social Development, has a function of disseminating information in research areas and co-ordinating policies that have been implemented by the social development policy field throughout the various ministries. We do not deliver programs. We are not responsible for the delivery of programs. That is up to the individual ministries which have been assigned that particular responsibility.

Ms. Copps: Mr. Speaker, the minister no doubt is aware that the homemaker program, or the chronic home care program, not only applies to senior citizens but also would apply to those other individuals who may have to be kept in their homes for reasons of illness.

Does she agree that if the province were going

to go ahead with its commitment, not only in the throne speech but also in its plan of action over the next few years, to bring in chronic home care all over Ontario, it would be cost-effective in terms of the number of people who now are taking up hospital beds but who should not be there?

I think the latest statistics by the Hospital Council of Metropolitan Toronto show that 888 persons were in Metropolitan Toronto hospitals last March who would not have been there had there been programs like the chronic home care program. Does the minister not think it is a cost-effective program that should be implemented immediately?

Hon. Mrs. Birch: Mr. Speaker, I am in total agreement with the honourable member. I think this is an appropriate direction for the government to be going. We are working as quickly as possible to implement that program across the province. But, again, we do need the co-operation of the local municipalities and the support they have to provide. A large part of the province now is covered by chronic home care programs. Metropolitan Toronto remains to be covered as quickly and as effectively as it can be managed.

I do agree that it is a very effective program, although the costs are quite similar; but in terms of compassion and the availability of services, I do agree it is very important.

Mr. Rae: Mr. Speaker, may I redirect the question, since the Provincial Secretary for Social Development, in her responsibility for the seniors secretariat—

Mr. Speaker: No. The minister has to redirect.

Mr. Rae: May I ask the Provincial Secretary for Social Development if she will permit me to redirect a supplementary question to the Minister of Health?

Hon. Mrs. Birch: Yes.

Mr. Rae: Thank you. It was announced in the speech from the throne that a homemaker program providing services at home for frail, elderly people and for the physically handicapped would be phased in, commencing in 1982, in five or six areas that already have acute and chronic home care programs.

I want to ask the Minister of Health why these programs have not been started in 1982, as was promised in the speech from the throne?

Hon. Mr. Grossman: Mr. Speaker, it is simply because, as we have tried to devise the program and pick six pilot areas, we found that the

selection of those areas was more difficult than we had thought. Also we wanted to get—

Mr. Rae: Then do not announce it in the speech.

Mr. Speaker: Order.

Hon. Mr. Grossman: The leader of the third party did not even know we were doing it until someone handed him the piece of paper; he should not shroud himself with all this holiness.

Mr. Rae: I was up there. I was listening.

Mr. Speaker: Order.

Hon. Mr. Grossman: The leader of the New Democratic Party was very outraged when someone handed him the piece of paper as he walked in this afternoon. I understand his outrage.

In any case, I do not know quite how they do this in the House of Commons, but here, when the throne speech speaks of "this year," it speaks of the fiscal year, and that would be 1982-83. We are not yet finished 1982-83. I hope to have at least some of those six programs in place by that time. If we happen to miss March 31, we will not miss it by very much. Those programs will be up and in place.

I point out to the member with regard to the kind of thing he likes to complain about, or that those who have been here longer like to complain about, such as lack of co-ordination, that the homemaker program is a classic example of where two ministries in this government, with the co-operation of the Provincial Secretary for Social Development, have worked together so that health delivers—

Mr. Rae: She said she didn't know anything about it.

Hon. Mr. Grossman: Pardon me? What was that? Stand up and be counted.

Mr. Speaker: Never mind the interjections.

Hon. Mr. Grossman: Say it again; do not be shy.

Mr. Speaker: No.

Hon. Mr. Grossman: Do not be shy. Say it.

Mr. McClellan: Tell us when you are going to keep the promise.

Hon. Mr. Grossman: We will check the Instant Hansard and see whether he regrets that silly thing he just blurted out.

In any case, we are co-operating very carefully to make sure that is a co-ordinated program. I am the first to admit that well thought out, co-ordinated programs take a little longer

to bring in than those knee-jerk reactions the member invites us to do every day of the week.

Interjection.

Mr. Martel: You didn't announce it three or four times then.

Hon. Mr. Grossman: The member for Sudbury East (Mr. Martel) should not interrupt his leader. I want to hear what he says.

Mr. Speaker: Order.

Hon. Mr. Grossman: The member for Sudbury East is riding shotgun for his leader today; so I cannot hear.

ALCOHOL ABUSE

Mr. Eakins: Mr. Speaker, my question is to the Attorney General. In view of the increasing interest shown each Christmas regarding the use and abuse of alcohol, and in view of the statements by the Solicitor General (Mr. G. W. Taylor), the commissioner of the Ontario Provincial Police and the federal minister regarding stiffer penalties for drinking drivers, does the Attorney General not agree that the time has come for his government to launch a full-scale review in some form to look into alcohol use in this province, taking into consideration the wishes of the hospitality industry, the mandates of the Liquor Control Board of Ontario and the Liquor Licence Board of Ontario, the appropriate funding of detoxification centres and the work of the Addiction Research Foundation?

Does he not agree that a complete, comprehensive review is in order, rather than dealing with this important issue on an ad hoc basis?

Mr. Conway: I was stopped three times going home on Friday.

Hon. F. S. Miller: You have a suspicious-looking face.

Mr. Speaker: Order. Proceed, please.

2:40 p.m.

Hon. Mr. McMurtry: Mr. Speaker, obviously alcohol abuse is one of the most serious problems facing contemporary society. I think the honourable member prefaced his question with comments in relation to alcohol abuse on the highway. I just remind him that the Premier (Mr. Davis) recently established another interministerial committee to review all initiatives that have been taken and might be taken with respect to reducing the incidence of alcohol abuse on the highway.

It is not a question of dealing with this matter on an ad hoc basis. The truth of the matter, as the member well knows, is that this is a very

complex issue without any simple solutions, and different approaches must be utilized from time to time. The traditional approaches obviously have not been very successful. I am confident that the interministerial committee will be in a position to make some recommendations on a problem that should engage the interest of every citizen in this province.

Mr. Eakins: With respect, I feel that the minister is dealing with it on an ad hoc basis, because I am referring not only to the abuse but also to the use of alcohol in this province. As I mentioned, the hospitality industry is interested in the distribution by the LCBO, and recently before the Ombudsman committee the LCBO admitted it really did not have a policy.

I do not think one can speak of the abuse of alcohol without looking at the distribution and the overall picture. The Ministry of the Attorney General is involved, as are the Ministry of Health and the Ministry of Consumer and Commercial Relations. I am saying that rather than deal with it at Christmas time, like last year, when he had the reduce impaired driving everywhere program in effect and two days before the session ended he announced the increase of opening hours for the bars across the province; instead of dealing with it on an ad hoc basis—

Mr. Speaker: I trust you have a question.

Mr. Eakins: —why does the minister not look at the overall use of alcohol in this province?

Hon. Mr. McMurtry: This is an important interministerial committee that has been established, and I will welcome any specific suggestions from the member opposite as to what might be considered with respect to this very serious problem. It would be helpful to us if he might be a little more specific, for example, about his concerns as he has stated them in relation to the distribution system of the LCBO, I am sure he can enlarge on that; and I am sure any other views or ideas that he has for consideration by this committee will be very welcome.

PEANUT PRODUCTION

Mr. Swart: Mr. Speaker, I have a question for the Minister of Agriculture and Food. He will recall, I presume, that a couple of weeks ago in his introductory statement in the Ministry of Agriculture and Food estimates he described the new peanut growing and processing program in glowing terms. He may recall saying: "Ontario peanut crops began only two years ago

with 165 acres. It may reach 650 acres this year, and that is just the beginning.”

Now, according to Kevin Cox in the *Globe and Mail* and discussions I have had with the producers, it appears that the whole program, including the future of the plant, in which he has \$90,000, may be in jeopardy. Why did the minister not level with us in his estimates when he knew the problem and the troubles that exist?

Hon. Mr. Timbrell: Mr. Speaker, with respect, the honourable member is implying at the very least that some information I had was being withheld from him and from the House. If that is what he is trying to say, it is a very unfair and untrue thing for him to try to say, not to mention irresponsible, but it is typical of the member for Welland-Thorold.

If he will recall, last night in estimates he had the opportunity to raise these questions when the member for Haldimand-Norfolk (Mr. G. I. Miller) was asking questions about crop insurance. The member sat there not saying a word. I guess there was not enough publicity in it for him at the standing committee on resources development when we were dealing with this very question.

We do not think the industry is going to die, if that is what the member is trying to say. To be sure, some of the growers this year have run into some problems because of weather; but we still feel that the industry has a future in the longer term. It is unfortunate that in the *Globe and Mail* article of December 10, the comments I made to the reporter about the future of the industry were either completely ignored or edited out. I draw the member's attention to the last two paragraphs of that article which quote another of the growers whose views are somewhat more optimistic.

On balance, we think the crop still has a good future in the province. We have invested significantly in it, particularly through the Board of Industrial Leadership and Development program. The member's usual gloom and doom and prognostications of failure are ill placed in this case.

Mr. Swart: If the minister believes the program is in good shape, he had better talk to the farmers who are producing the peanuts. Surely he must know that part of the problem, and the reason farmers may not plant peanuts next year, is that the crop insurance program is placing such a narrow interpretation on the frost loss that the farmers are getting only a fraction of their costs. It is ignoring, for instance, the

quality of the crop. Will the minister intervene to see that their compensation is based on their real losses?

Hon. Mr. Timbrell: With respect, the member is doing nothing more than trying to grab headlines. He knows full well that this matter was dealt with in detail last night during consideration of the estimates of the Ministry of Agriculture and Food. He knows full well that I read into the record the letter that was sent to the growers on January 25, 1982, outlining the details of the crop insurance plan for peanuts for 1982. We will live up entirely to what is involved in that crop insurance plan.

The member also knows full well what I pointed out to the members of the committee last night, but I guess it did not get him a headline. He is not the least bit interested in these growers. All he is interested in is a headline. That is all he is after. If he were that interested, he should have picked up the issue last night and pursued it in committee. Instead, he did not say a word.

Mr. G. I. Miller: Mr. Speaker, we all have to admit that the farmers are at the whim of Mother Nature, and the peanut producers in that part of Ontario were dealt a severe blow by the frost of August 26. My question to the minister is, will he consider paying the peanut farmers on the basis of harvested production at the plant rather on the basis of field samples?

Hon. Mr. Timbrell: Mr. Speaker, I must give credit to the honourable member. He was interested enough in the issue to raise it at the estimates last night and to discuss it. He will recall I said to him that, in our view, the Crop Insurance Commission of Ontario must be operated on a businesslike basis and must be kept actuarially sound.

I am sorry; I told the other member that it was a letter of January 25. It was February 25, 1982, that the letter went out to the growers. There had been a meeting held earlier in the year, at which time the details of the crop insurance available for peanuts had been laid out. In this letter of February 25, point 6 is the operative and most important point in answer to the member's question. At that time they were told by Mr. Brown, our field services specialist, that "claims will be paid based on damage that can be seen in the field. Notice of damage must be given as soon as any damage occurs." We will live up to that, which we agreed to do.

2:50 p.m.

I also point out that there is a provision in the crop insurance plan for arbitration and, up to this point, four of the growers apparently have not accepted the offers of compensation, in which case they have been told that the matter can go to arbitration and, if the arbitrator overrules us, so be it. We will abide by the decision of the arbitrator. We have also told them, and I have talked to at least one of the growers personally on the telephone, that if they want a different type of insurance plan next year—and at no point in the meeting when the insurance was being developed for peanuts was a request made for a quality factor—if that is what they want, then that can be factored in. It will mean the premiums will be higher, but it can be factored in.

Finally, I have met with my marketing staff and told them I want them to work very closely with the growers in this area to be sure we are doing all we can in the broadest sense within the ministry to continue the development of this industry, notwithstanding it has had a difficult year, mainly because of the elements.

WAGE AND PRICE RESTRAINT PROGRAM

Mr. Kolyn: Mr. Speaker, I have a question for the Treasurer. Ontario and Quebec have both introduced restraint legislation in their current sessions. It has taken Ontario almost three months to get Bill 179 passed, while Bill 70, much harsher legislation than Bill 179, was tabled and passed in the Quebec National Assembly within three days. Can the Treasurer tell the House why the response from each assembly would be so different?

Mr. R. F. Johnston: This is Bud Gregory's question. I can tell. Bud, you wrote this, didn't you?

Interjections.

Mr. Speaker: Order.

Hon. F. S. Miller: Mr. Speaker, I am delighted that question was asked. I wondered the same thing, until I posed the question to one of the New Democratic Party members the other night. I asked, "How do you explain that?" First, a socialist government brought in legislation that did not just limit increases; it cut salaries 18½ per cent.

An hon. member: How much?

Hon. F. S. Miller: There was an 18.5 per cent cut in salaries by the socialist government in Quebec, a government that was elected by the unions down there. Oh, boy.

The answer one of the NDP members gave me was that not only did they have, because they have exerted their majority, a much tougher House rule that allows for an emergency to be declared and, therefore, a very short debate, but also, as he said, "After all, they have a reasonable opposition; they only have Liberals."

Mr. Kolyn: The Treasurer will be aware that Bill 70 pockets \$400 million from the Quebec public service. Given that Ontario is not rolling back the salary of one single public service employee in the province, why has the opposition outside the Legislature been so much greater than in Quebec?

Hon. F. S. Miller: On that latter point, I never really disagree with a member of my party, but I say the opposition outside the Legislature in Ontario has not been half as great as the stonewalling of the New Democratic Party within the Legislature.

As a matter of fact, I am very nervous about the eventual reaction, because when one gets driven to the wall and has to make absolute cuts in salaries, I am afraid one will see some real reactions in that province. We, on the other hand, have come away with a good understanding and a good deal of support from the people of Ontario affected by our bill.

Mr. Conway: Mr. Speaker, does the Treasurer suppose that Bill 179 might have had speedier passage in this assembly if in the interest of fairness and equity it had included doctors, who continue to be excluded? They are the single highest-income category in this province, a group that draws down something in the order of \$1.5 billion from the public Treasury, and they continue to be exempt from this legislation.

Hon. F. S. Miller: Mr. Speaker, the answer is no, because if the opposition chose—

Mr. Wildman: The real opposition.

Hon. F. S. Miller: I am not talking of the party of the honourable member for Renfrew North (Mr. Conway), which in this case did have some amendments that were well thought out. Whether I could agree with them or not, they were well thought out and put sincerely on the Order Paper in an attempt to improve the bill from their point of view.

I just point out that when the New Democratic Party argued clauses such as "'Treasurer' means the Treasurer of Ontario and Minister of Economics," one has to realize they were not too interested in any serious amendment.

Mr. Renwick: Mr. Speaker, I am curious to know whether the Treasurer is aware that the

Conservative Party in Ottawa is using all the devices at its command to prevent the imposition of closure by the Liberal government?

Mr. Martel: Is he not going to answer?

Interjections.

URANIUM PRICES

Mr. Sargent: Mr. Speaker, I have a question to the Premier. A lot of people believe the Premier was born in a manger, but unfolding events in the area of uranium and Ontario Hydro will prove differently.

I must apologize for continually bringing before the House this colossal subject, which I would say borders on Watergate dimensions.

The latest documents I have today show that Ontario Hydro has contracted to buy thousands of tons of uranium which it will never use. This soaring supply, for which we are paying double the world price, will skyrocket hydro rates in this province.

Compounding this colossal mess, for which the Premier is totally responsible in that he steamrollered this legislation through the House on a deadline set by Steve Roman, we now have the blockbuster news from Douglas Point that Bruce B, which is under construction in my area and which was to have cost \$1.88 billion, now will cost, according to Ontario Hydro, \$5.778 billion when completed in 1987, or triple the original estimate.

Mr. Rotenberg: What is the question?

Mr. Sargent: The point I am trying to get at is that the new electricity rates will be 4.9 cents per kilowatt-hour as against 1.84 cents today.

Mr. Speaker: Now for the question.

Mr. Sargent: In view of this—

Mr. Speaker: Is the Premier aware—

Mr. Sargent: Thank you very much. I need all the help I can get.

In view of the fact that we have significant powers within the provincial jurisdiction to renegotiate this scandalous contract, will the Premier tell the House and the people of Ontario why he does not move immediately either to acquire ownership of Denison Mines or to renegotiate? He must have powerful pressures upon him if he cannot make full disclosure.

Hon. Mr. Davis: Mr. Speaker, if memory serves me correctly, I think we have discussed this issue on more than one occasion. I want the honourable member to recall the history. The contract with Denison Mines—and Rio Algom,

incidentally—was not legislated by this House. It was a contract entered into by Ontario Hydro under its authority as a utility, and it was assessed by the committee.

3 p.m.

I know the member has a thing about this particular issue and I understand that. He really approaches it from a rather different perspective than I would. I do not say that in any critical sense. I accept him as he is.

As a member of the Liberal Party, if he is advocating that Ontario Hydro or the government of Ontario acquire Denison Mines and Rio Algom, I find that an intriguing policy suggestion emanating from a party that has registered some reluctance on some other issues. I assume he is speaking for himself and not for his leader, although he may convince his leader that he may wish to entertain this as a policy.

I would also point out that no one is quarrelling with the increase in costs in some capital facilities. I think it is also important, though, to compare the costs per kilowatt or megawatt hour of Ontario Hydro related to the production of nuclear energy with any other nuclear facility anywhere in North America. There is no question that fuel costs may rise, but compared to the cost of natural gas, if that were to be the fuel, or coal or oil, there is no question whatsoever—

Mr. Martel: It doesn't rise as much if you own it.

Mr. J. A. Reed: Water, water.

Hon. Mr. Davis: Listen, if we had more water reserves, there is no question about it. They are very limited and the member and I both know.

Mr. J. A. Reed: We have it and you know it.

Interjections.

Mr. Speaker: Order.

Mr. J. A. Reed: You know we have to go into the arena and debate the subject publicly.

Hon. Mr. Davis: On any comparative basis, the megawatt cost for Ontario Hydro related to any American utility or any utility in France, West Germany or United Kingdom utility, as it relates to the capital cost of nuclear production Ontario Hydro does very well.

I should also point out that in terms of fuel costs, and that is really what we are talking about, the fuel costs per se are a relatively minor portion of the total cost of the generation of nuclear energy. I come right back to it very simply, I suggest to the honourable member that if I compare the rates of Ontario Hydro here with Con Edison, Niagara Mohawk, any utility

in the United States, which is really our competition—not Hydro-Quebec; they have a very excellent contract with Churchill Falls or Newfoundland—I suggest we compare very favourably.

Mr. Sargent: Mr. Speaker, I thank the Premier for saying that it was such an intriguing concept. Denison is using this land to create a \$2-billion profit. Is the Premier aware that we own the land and are leasing it to them for \$5,000 a year? Is he aware of that?

Second, the government gave them a \$650-million upfront loan for 40 years and that will cost us \$1 billion in interest. Finally, on top of that, in the Toronto Star, Mr. Holt, the general manager of Hydro, justifies the building of the \$20-billion Darlington plant, which is going to cost maybe \$40 billion at the end, we do not know, by saying that because of the uranium contract with Denison, which will cost us around \$7.5 billion, “If we do not build the plants, we will not be able to use the uranium.”

What the hell does one do about a thing like that? The Premier says it is an intriguing concept. It is costing us billions of dollars for the kind of contract that Westinghouse renegotiated in the United States. We can do the same thing here in Canada.

Mr. Speaker: Is that your question?

Hon. Mr. Davis: Mr. Speaker, before the Leader of the Opposition pounds his desk too vigorously, I suggest the member recall the discussions before the committee of this Legislature where the contract was very thoroughly reviewed.

Mr. J. A. Reed: Yes, and you remember—

Mr. Speaker: Order.

Hon. Mr. Davis: I recall the history of it. I recall those who made the presentations for Ontario Hydro, the legal advice they had, a very eminent counsel, not of a certain political persuasion with which I am closely associated—

Mr. Nixon: Baloney.

Mr. Kerrio: A good counsel, but a poor businessman.

Mr. Speaker: Order.

Hon. Mr. Davis: I have a great deal of respect for him. He was the legal counsel that it was understood in—

Mr. Nixon: Are you suggesting that his professional opinion depends on the point of view of his political opinion? You're always talking about poor Pierre that way.

Mr. Speaker: Order.

Hon. Mr. Davis: No, no. I just wanted to remind—

Mr. Nixon: You don't think he can do a job.

Mr. Speaker: We are recognizing the question from the member for Grey-Bruce.

Hon. Mr. Davis: I just wanted to indicate my great respect for legal counsel at that particular hearing, the same legal counsel we heard rumoured was going to reorganize the government of the leader of the Liberal Party in 1975. I think they are one and the same person, if my recollection is correct and I think it is correct.

When one gets right back to the bottom line—

Mr. Nixon: He defended Hydro.

Mr. Speaker: Order.

Hon. Mr. Davis: If the member for Grey-Bruce is speaking for the Liberal Party, I can only assume that in spite of all the discussion about unemployment, the need to stimulate the economy, the need to deal in a technical sense with a technology which I think we have been pioneering in world terms, the Liberal Party would call a total halt to Darlington. If it would have that impact on job creation and on the nuclear industry in Ontario, then fine. I accept that as the Liberal position here in Ontario and I am opposed to it.

Mr. Foulds: Mr. Speaker, in view of the escalating price of uranium, in view of the escalating price of nuclear station construction and in view of the predicted rate increase of 54 per cent that Ontario Hydro introduced at the last rate hearings, which I suspect will be low as the new nuclear stations kick into the system and we have to pay for those enormous capital costs, will the Premier undertake to instruct his Minister of Energy (Mr. Welch) to have a full and special referral of Hydro's expansion plans to the Ontario Energy Board?

Will he agree to the establishment of a permanent standing committee on energy to examine these controversial situations as they arise, and especially to examine how many jobs will actually be lost as we close down the coal-fired plants in order to bring the nuclear plants on stream?

Hon. Mr. Davis: Mr. Speaker, I do not want to get into a prolonged debate on this issue, but I think I could give a very rapid calculation as to the number of jobs that will be lost as one or two coal-fired plants are terminated in relation to the number of employees in Peterborough, in

Cambridge and in community after community in relation to the nuclear industry.

I would be delighted to develop some figures on that for the member. Let's face it, the main source of employment for the coal-generated facilities in this province happens to be in the coal mines of West Virginia, Virginia and Pennsylvania. If the member wants to maintain employment there to the detriment of Elliot Lake, be my guest.

115th BIRTHDAY OF DAVE TRUMBLE

Mr. O'Neil: Mr. Speaker, on a matter of personal privilege: I wonder if could have the government join with the two opposition parties in sending birthday wishes to the oldest citizen who resides in my area, in the Belleville area, a gentlemen by the name of Dave Trumble who is 115 years old today. Mr. Trumble credits his long life to cigarettes, brandy and four wives. He resides in E. J. McQuigge Lodge, a nursing home on the border between my riding and that of the member for Hastings-Peterborough (Mr. Pollock).

I checked with the owner of the nursing home and he says Mr. Trumble is quite well and quite active. He has a sense of humour and, as the Minister of Municipal Affairs and Housing (Mr. Bennett) said, there would be only one thing I would disagree with: he mentions he has made only one political mistake in his life and that was the one occasion he voted Liberal.

PETITIONS

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT BILL

Mr. Elston: Mr. Speaker, I have a petition signed by several constituents of mine from the riding of Huron-Bruce. It is directed to the Lieutenant Governor and the Legislative Assembly of Ontario:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows: We request that honourable members seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act."

I lend my support to this petition as I did with the previous petition signed by other constituents.

Mr. McKessock: Mr. Speaker, I have a petition signed by numerous constituents in my riding in Grey and Wellington counties to the Lieutenant Governor and the Legislative Assembly of Ontario:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows: We request

the honourable members to seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act."

CLOSURE OF AUDIO LIBRARY

Mr. Allen: Mr. Speaker, I would like to present a petition addressed to the Honourable Bette Stephenson:

"We the undersigned wish to express our concern over the possible imminent closing of Trent audio library which records textbooks for handicapped students at Ontario high schools, colleges and universities. We feel that access to the public educational system is a basic right and, moreover, by means of this service print-handicapped persons can become self-supporting citizens, not requiring disability pensions or welfare assistance."

I would like to support this petition as I send it forward to the Lieutenant Governor.

3:10 p.m.

INFLATION RESTRAINT BILL

Mr. Breithaupt: Mr. Speaker, I present a petition, with respect, signed by 28 persons in the city of Kitchener.

"We request that you seek the withdrawal of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province."

As the member for this constituency, I believe it is my obligation to present this petition.

Mr. Barlow: Mr. Speaker, I have three petitions here signed by a total of nine people from the riding of Cambridge.

"We, the undersigned, beg leave to petition the parliament of Ontario as follows: We request you seek the withdrawal of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province."

REPORTS

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Mr. Shymko from the standing committee on social development presented the committee's report on wife battering and moved its adoption.

Mr. Speaker: Is it the pleasure of the House that the report be received and adopted? Agreed? Agreed.

Mr. Shymko: I would like simply to add, Mr. Speaker, that this is a very historic moment

from the point of view that we are the first province in Canada to follow the original report by the federal task force which in May of last year made a number of recommendations in the area of provincial jurisdiction. We in Ontario are the first to follow this up with an extensive study of the problem of family violence, and in particular—

Mr. R. F. Johnston: Mr. Speaker, I am going to interrupt him—

Mr. Speaker: Order, please.

Mr. R. F. Johnston: I like the way you rule. Don't do anything. That was perfect. The report has been adopted. I heard it on a voice vote.

Mr. Speaker: I have to rescind that, because the member obviously is going to adjourn the debate at an appropriate time.

Mr. McClellan: Oh no. The vote carried.

Mr. R. F. Johnston: The vote already carried. We're in great shape.

Mr. Shymko: What do you want me to do? You have adopted it? Fine. Can I continue?

I would like to point out once again that this is a very important moment. I would like to stress the maturity, the nonpartisanship, the atmosphere among all the members of the committee in studying the problem of family violence. We would like to stress the important factor that it be treated as a crime, that it be treated with the same equity as violence that would occur outside the family environment.

Je voudrais ajouter aussi, M. le Président, que c'est la première fois que nous voyons un rapport qui est présenté par un comité permanent de l'Assemblée législative dans les deux langues officielles et qui souligne le fait qu'on doit considérer cette tragédie au sein de la famille comme un crime.

In conclusion, I would like to stress that I congratulate the many dedicated people out there in the field, those who are in charge of the shelters for battered women and their families, on the excellent work they are doing and will continue to do. I hope these recommendations will be taken seriously and will be implemented.

On motion by Mr. Shymko, the debate was adjourned.

Mr. Martel: Has that report been carried and adopted?

Mr. Speaker: No.

STANDING COMMITTEE ON GENERAL GOVERNMENT

Mr. Barlow from the standing committee

on general government reported the following resolutions:

That supply in the following amounts and to defray the expenses of the Office of the Assembly be granted to Her Majesty the Queen for the fiscal year ending March 31, 1983:

Office of the Assembly, Office of the Assembly program, \$27,296,400.

That supply in the following supplementary amount and to defray the expenses of the Office of the Assembly be granted to Her Majesty the Queen for the fiscal year ending March 31, 1983:

Office of the Assembly, Office of the Assembly program, \$3,441,500.

INTRODUCTION OF BILL

CONDOMINIUM AMENDMENT ACT

Mr. Philip moved, seconded by Mr. Allen, first reading of Bill 207, An Act to amend the Condominium Act, 1982.

Motion agreed to.

Mr. Philip: Mr. Speaker, this bill would repeal unproclaimed provisions of the Condominium Act that relate to condominium bureaus and, instead, provide for a registrar of condominiums who would give advisory services to the public, maintain a register of mailing addresses of condominiums and issue licences to condominium managers.

Condominium management would be restricted to licences except in those cases of managers of a single condominium having no more than 100 units. The Lieutenant Governor in Council would be empowered to make regulations requiring the posting of bonds. The Association of Condominium Managers may, with the approval of the Lieutenant Governor in Council, set standards for managers. The bill also provides a consensual procedure for the review and resolution of disputes within a condominium.

ORDERS OF THE DAY

INFLATION RESTRAINT ACT

Mr. Jones, on behalf of Hon. F. S. Miller, moved third reading of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Hon. Mr. Wells: On a point of order, Mr. Speaker: It has been agreed that we will distrib-

ute the time equally this afternoon and perhaps the table could take care of that matter.

Mr. Boudria: Mr. Speaker, you will be aware of all the time we have spent on Bill 179. We have been discussing this legislation for months and you will no doubt recognize that we commenced the fall session earlier than usual specifically to "deal expeditiously with this urgent matter"—which was Bill 179.

We have gone on at length, some could say ad nauseam, in the discussions on this bill.

Hon. Mr. Gregory: Most of us would say ad nauseam.

Mr. Boudria: Yes, maybe most of us would say that. For a while we practically ground the deliberations of the Legislature to a halt on account of this piece of legislation. It is a very important piece of legislation. There is no doubt that each and every one of us will recognize that this legislation is very important and controversial. It has created a lot of interest in the province.

3:20 p.m.

There is not a member of this Legislature who would deny that all of those things have gone on. Surely, though, as we recognize all of this, it should be apparent to each and every one of us that this legislation, because we have a majority government, will become law. We all know this, and there is not a member of this House who is so naive as to believe otherwise.

As we were discussing this bill throughout the last months it became apparent to us in the official opposition that what had to be done was to make this bill as fair and as equitable as possible for all the people concerned. We all recognized this and, as such—

Mr. Philip: You can't make a silk purse out of a sow's ear.

Mr. Boudria: What is the Etobicoke landlord saying now?

Mr. Philip: I said you can't make a silk purse out of a sow's ear.

Mr. Boudria: We just heard a very interesting comment here—

Mr. Speaker: Just ignore the interjections, please.

Mr. Boudria: —and that from the same party who let one amendment through yesterday or the day before. At that time they had to go along with it because the amendment was to make the bill better, and when confronted with the amendment—

Mr. Speaker: Now back to the bill.

Mr. Boudria: —they of course had to support the amendment. I would like to tell that same honourable member that there are several other amendments just as worth while as the one they approved only a few days ago. The members of the socialist party should recognize that amendments are worth making. If they do not recognize that, then why did they agree with one of those amendments?

Mr. Renwick: Because the government wouldn't pass the others.

Mr. Boudria: Well, isn't that interesting?

Mr. Speaker: Would the honourable member direct his remarks to the bill, please?

Mr. Boudria: In agreeing with that amendment, the third party recognized that the bill was going to become law. Had they not recognized that the bill would become law, they would not have agreed with the amendment. What would be the point if they thought this bill was going to die on the Order Paper or whatever else was going to happen to the bill? So I think we should establish once and for all that the third party recognized two days ago, maybe long before—and maybe they have just been posturing all this time and they have known it all along—that Bill 179 was going to become law.

I would like to draw to the members' attention as well that they did propose some amendments of their own in the beginning. I remember speaking last week on a New Democratic Party amendment, an amendment that did not carry, as it pertained to the definition of the board and so forth. So we all recognized that the bill was going to become law. Each and every member of this House, each political party recognized that the bill was going to become law, and I think it is important to stress that before we go any further.

Mr. Philip: Then why talk about it? Why not let them just bring in what they want?

Mr. Boudria: The Etobicoke landlord is interjecting again, Mr. Speaker.

Now that we are dealing with a bill that we recognize will become law later today, it should be important to each and every one of us to understand that amendments could have been put forth and could have improved that bill, just as the amendment that was carried with the approval of the NDP only two days ago was incorporated in the bill.

I would like to know—and I am sure the NDP members who speak after me will answer me—were they against the Liberal amendment changing the minimum \$750 increase to \$1,200?

I would like to know from that party if they were against that particular amendment.

Interruption.

Mr. Boudria: Mr. Speaker, there are interjections from the galleries.

Mr. Speaker: Order. I would have to caution all visitors in the galleries that they are not allowed to participate in any demonstration or in any way. If there is any further demonstration, I will have to clear the galleries.

Mr. Boudria: I would like to discuss the other amendment we had proposed, which is a limit of five per cent on increases in Ontario health insurance plan premiums, which again, because of the New Democratic Party, we did not get to talk about. I would like to know what the feelings of the NDP are on our amendment limiting hydro rate increases to five per cent.

I would like that party's reaction to that and to the contribution it would have made to have included those amendments, but I notice there is dead silence over there now that we start talking about those meaningful amendments that we, as a constructive opposition, were trying to bring forth.

In discussing a limit of five per cent increases in rent, it is interesting to note, especially in view of the question period today, how rents are unaffordable in this city and many other cities across this province, including the area I come from, the Prescott-Russell area. The western end of my riding is near the city of Ottawa. The city of Ottawa, of course, has one of the worst, if not the worst, rental shortage problems in the whole country.

It is very important to understand that in the context of the supply and demand situation for rental accommodation, rent increases for buildings are quite large. A limit of five per cent on increases in rent; surely one would think, Mr. Speaker—and you, sir, in your nonpartisan and objective way, would recognize—that the NDP should have favoured such an amendment, but then again, this is the same party that stopped us from introducing all these types of constructive amendments, which we believe is part of our mandate as a constructive opposition.

I believe it is important to recognize the difference between opposition and obstruction. I am the first to admit that I have gone on in the past and discussed certain bills at length and described in detail when I did not go along with some legislation. On several occasions we have indicated quite vocally our disapproval of legislation in the past but, regardless of what any

member of this Legislature thinks, we have to respect the fact that on March 19, 1981, a government in this province, which I had nothing to do with, was elected. I am not a government member, I am an opposition member, but I recognize what happened on that day. I recognize that was the will of the electorate.

In fulfilling my mandate as an opposition member in this Legislature, I do believe it is incumbent upon the opposition to provide constructive criticism, to provide opposition to legislation where deemed necessary and to draw the attention of the government to certain inequities and to keep the system in check. I do believe that, as a constructive opposition, the Liberal Party is fulfilling that mandate very well.

I am sure all members will recognize that it was a very useful function to bring this bill to committee to listen to the briefs, to listen to the input of various groups; and once we listened to that input, to formulate constructive amendments, to bring those amendments ahead and to improve the legislation that is going to be finally dealt with on third reading today in this House.

Because of certain tactics which were used for reasons which were very partisan, reasons which had nothing to do with being a constructive opposition, those amendments, or the majority of them, were not dealt with at all in this Legislature. That is a very unfortunate process.

I believe it was the former member for York South who said one day last spring that he was always worried when any party or any group took the Legislature hostage or something to that effect. I believe that statement was made on the occasion of the Liberal Party stalling the legislative process for five hours and that was deemed to be unacceptable. For five hours the official opposition let the bells ring in this Legislature to demonstrate our opposition to the budget.

We opposed that and I am not sorry we did. It focused attention on the issue but we, as a constructive opposition party at that time, recognized the fact that regardless of whether or not we liked the bill that was introduced in the spring, we had to come back to the Legislature once the attention was focused, vote against the bill and allow the parliamentary process to continue. Just as some of us may not always respect the wishes of members on one side of the House or the other, surely we must respect the will of the electors at election time.

I do not particularly agree with some of the philosophy of the government on certain issues and I could name a few of them. Coming from

the linguistic background I do, I feel the government has not been very favourable to some of the things I think are necessary. I have not demonstrated very much support for their actions vis-à-vis that issue. But I do recognize they were elected to govern—that is a function of parliamentary government and I respect that.

3:30 p.m.

In the last election I was chosen to be a member for the great constituency of Prescott-Russell. That was the wish of the electors as a group. Every member should recognize the importance of such elections. Each and every one of us, regardless of where we sit in this Legislature, must have high respect for the office and for the responsibility that was given to us.

I need not remind members of the prayer we have every day when this Legislature commences. In it we acknowledge the great power and privilege given each of us to fulfil in this Legislature and that we must do everything in our power for all concerned in this province. It is very important at times like this to remind ourselves of that.

I had a visit at my constituency office last Monday morning from a group of workers in the public sector. One representative had a number of signed letters which he handed to me. He told me his provincial organization had decided they were going to work actively in the next provincial election against all those members who had supported Bill 179 in this Legislature.

I said: "I respect your position, but surely you will understand mine. You will understand that I, as a member of this Legislature, cannot make up my mind on threats I get from an individual who comes and sits across the desk from me. Surely you will recognize that I would be much less a member if that were the kind of thing I listened to before deciding what is good for the people of Prescott-Russell and the people of Ontario." To that I did not get a response from this individual.

We should all think of that kind of thing in what we are deciding here today in this House. What I as an opposition member would like—and what several federal politicians would like, including New Democratic members at the federal level—is a more comprehensive wage and price control policy than the one we are seeing today. We would like to have seen enacted some of the amendments we have proposed to this policy, to make it more comprehensive, to make it fuller, to make it carry

more weight. We would like to see the control more on the price side than on the wage side.

But it was decided that our amendments could not be put forward. It was decided by a circumstance that we as a party did not control. It was decided by a small minority of members in this Legislature that the vast majority of members would have to stall the proceedings of this House, would have to stall the amendments to this bill and all other bills that we were going to pass before the Christmas recess.

Let me remind members of some of the things we had discussed. I sit on the social development committee. We in that committee had hoped our report on the wife battering issue, which was tabled today, would be discussed in this Legislature before Christmas so our recommendations could be implemented as soon as possible. I would remind members this is one example of things that were stalled.

Mr. Cooke: What a joke.

Mr. Boudria: The member for Windsor-Riverside does not even sit on that committee, so surely he is not able to pass judgement on whether or not that happened.

Mr. Cooke: The report cannot be debated when it was just tabled today. Do not be so stupid.

Mr. Boudria: Surely the members who sit on that committee—and there are a number of them from the NDP—will recall that was the recommendation we wanted to make to all our House leaders, to discuss that issue. Those who do not recall could perhaps read Hansard and find out. It is a very important issue. Notwithstanding the fact that Bill 179 deals with a lot of people, that report affects many more people and deals with a far greater number of victims. That process was stalled, along with all other bills.

A committee of this House sat throughout the summer months to discuss Bill 138 to amend the antiquated public health legislation in this province. We also wanted to pass that bill. Where is it now? It likely will not be touched. There are probably private bills from the municipalities of quite a few members of this Legislature—Liberal, Conservative and New Democratic—that will not go ahead, bills that municipalities want. What happened? The legislative process ground to a halt.

Some have said it was hijacked. Perhaps that word is appropriate. Actually, I think the word was invented by the leader of the New Democrats last spring when the legislative process was

stopped for five working hours by the Liberals. That was seen as hijacking. I suppose the NDP think what has gone on for the last month was something other than hijacking because they, and not somebody else, were doing it.

It is unfortunate and it is unfair. It is unfair to the people of this province that we have allowed this to happen to our Legislature. We have allowed our Legislature to lose its meaning, to become for months an almost meaningless institution. That was not caused by the members of this party nor, with all due respect, by the members of the government party. It was caused by a small minority because of what I believe was their lack of respect for this great institution, among other things. Otherwise they would not have allowed this type of thing to go on.

I would like to measure how long we have spoken on various bills in this Legislature in comparison with this one. We have not stopped the amendments of any other party on any other bill. We did not stop the NDP from bringing in any amendments they may have had on Bill 127. I challenge them to say the same thing about Bill 179 and our amendments. Of course they cannot, because they have not acted responsibly. They may have the support of a few people who think they have done the right thing.

They say if the government will not withdraw the bill then it cannot amend it. That is a pretty naive attitude for members, most of whom, with the exception of two, have been in this Legislature for two terms or more. Some of them have been here for many years and should know the legislative process, should know how it goes on and what their responsibilities as legislators are. They claim they know what their responsibilities are with this bill. We will see. All I know is that never before have we seen that kind of thing go on. Never before has the legislative process received this kind of treatment from one political party. It is very unfortunate. It must never be allowed to happen again.

M. le Président, je voudrais juste résumer, en quelques instants, en disant que ce qui est arrivé à l'Assemblée législative ces derniers mois est très malheureux.

Je trouve que c'est très malheureux qu'un parti politique prenne pour otage cette Assemblée législative et permette d'arriver ce qu'on a vu récemment: à empêcher les autres partis de produire des amendements constructifs afin d'améliorer les lois passées par cette Assemblée législative. Que ce parti politique a choisi dans sa sagesse que le gouvernement devrait être arrêté, que ce parti a décidé que le gouvernement

qui avait été dûment élu par le peuple ne pouvait plus maintenant remplir sa fonction de gouverner, parce qu'un projet de loi ne faisait par son affaire.

En résumant, je voudrais dire que je trouve ces incidents très malheureux et très regrettables. J'ose espérer que cette situation ne se produira plus jamais à l'avenir.

3:40 p.m.

My only hope is that in future all members of all parties in this Legislative Assembly can act in a responsible manner to fulfil the responsible role that was given to them the day they won election.

Mr. Mackenzie: Mr. Speaker, I rise with some sadness to speak on the last day of this debate. This is the 85th day since the government brought in this bill. The New Democratic Party has fought the bill and has stalled it until today. I am proud of that. I would have been much prouder if we could have stopped the bill cold in this House.

Had we not fought this bill—not only on behalf of the public sector workers who are directly affected but on behalf of the private sector workers as well—who would have fought it? Certainly not the government. It wants the bill.

I want the members to pay attention because there are some ramifications of what we are doing here today.

I have not caught up on all my reading recently, but I was totally appalled today when I was given Background. The Minister of Municipal Affairs and Housing (Mr. Bennett) had, in his November 22 memo, put in a piece in the viewpoint section, "Little Cause for Complaint." He may not have done it himself but it is his ministry's bulletin. He used an editorial from the St. Catharines Standard. I note he did not use the open letter Bishop Sherlock sent to the London Free Press which would have put an entirely different slant on it.

I will read the two paragraphs that make up the article because I think it is a slur and a slam at public service workers right across Ontario. The editorial he has printed at our expense in this government bulletin says: "It stands to reason that workers in the public sector now being squeezed by wage restrictions would object. Their reaction is understandable. The trouble is, the louder and the more persistent their protests the greater the irritation for the rest of the work force. What the public sector workers do not want to understand or refuse to

acknowledge is that no matter what their unions tell them"—we have had an awful lot of that old divide and conquer in recent days in this House—"they have been and continue to be a privileged minority."

The vast majority of them earn under \$20,000 and even under \$18,000, but they are a privileged minority.

It gets worse: "Let us face it, with the economy in a shambles, it is the private sector worker who has been taking it on the chin. It is the private sector worker, not the public employee, who has been facing the prospect of a layoff"—we hear that constantly from the Liberals—"and if he is not laid off, he is often lucky just to keep his job, and never mind a raise. The difference between the public employee and the private sector worker is that the latter must justify his worth in the marketplace of the economy. The public employee is largely immune to such scrutiny."

He is clearly saying that because he does not have to do a job, he is not worth his weight in salt.

"Industries and businesses can go broke, governments can't. As we said, the public sector workers are entitled to complain—it is a free country—but they would do well to realize they are not going to get much sympathy from those who look upon them as privileged and spoiled."

Obviously that is exactly what the government of Ontario thinks of its public sector workers—that they are privileged and spoiled. I have never heard of such a putdown or such a contemptible piece being printed in one of the government publications.

The Liberals are supporting the bill. Indeed, if we followed their leader, the bill would be tougher and would cover all the workers in Ontario. I notice the member for Halton-Burlington (Mr. J. A. Reed) is nodding his head in agreement.

Mr. J. A. Reed: Private sector as well.

Mr. Mackenzie: It would be for a longer period of time and would be careful to make sure there was a control period in place at the end of this legislation so the workers could not attempt to make up what they had lost.

Mr. Kerrio: What is the alternative? Let the country go down the drain? That is what the NDP members would do.

Mr. Mackenzie: Unfortunately, the Liberals are supporting the bill and their arguments about wanting to move amendments—we pur-

posely let them get to subsection 3(4) when we could have stopped it the other night.

Mr. Kerrio: Good people will support the bill.

Mr. Mackenzie: Mr. Speaker, would you please shut up this—

The Deputy Speaker: The member for Niagara Falls.

Mr. Mackenzie: I have never been more serious in my life. The points I want to make are important.

We let them get to subsection 3(4) in the amendments, to probably the most crucial amendment of all, regarding due process of law and the powers of the commission. To a man, the Tories voted against that amendment. We voted with the Liberals on that and we did it for one reason only. We had already been told by the government House leader, as the Liberals had, that no Liberal or NDP amendments would be passed on this bill. We knew it without being told. It was a clear indication this bad bill could not even be slightly improved.

Interjections.

Mr. Mackenzie: Let me switch from the other two parties. They are not worth spending any more time on.

Unfortunately the media in Ontario have also not been questioning this bill. I can see no indication of a concerned and crusading free press in Ontario and I find that rather sad. Ten years ago, after the fact of the War Measures Act, I recall there was no newspaper in this country that did not think it was terrible. Yet I cannot remember one newspaper that questioned the legislation when it was brought in in the first place. I have a suspicion that, not very far down the road, we are going to have the same kind of editorial comments about Bill 179.

One or two of our church leaders, notably Cardinal Carter and Bishop Sherlock, have raised serious questions. Unfortunately other progressive church leaders do not seem to have understood yet what is going on with this piece of legislation. I hope the citizens and the responsible press in this province have simply not understood the ramifications of this bill rather than not caring, because it is a sad commentary on the Ontario political situation if people simply do not care. I hate to think they do not care or they think there is nothing wrong with the legislation that so callously discriminates against one group of Ontario workers.

This legislation makes a mockery of freely negotiated, legal and binding collective agreements. The old-fashioned "a bargain is a bar-

gain" theory in Ontario that many people and many honourable members lived by for a very long time means nothing today for the public sector workers in Ontario. Which groups of workers—or religious believers or racial or ethnic minorities—will have their contracts broken next in Ontario?

This legislation denies the long-fought-for and hard-won right to strike to public sector workers in Ontario. This legislation denies something as fundamental as the right to arbitration, the way out of serious disagreements in collective bargaining in Ontario.

This bill arbitrarily cuts wages, in spite of what we heard—the misunderstanding of one of the members across the way—because when a legal and binding contract is rolled back from 11 per cent to five per cent, an \$18,000-a-year worker has \$1,000 taken from his pocket in the second year of his agreement.

This bill places immense power in the hands of one man and in the Inflation Restraint Board, the only avenue of appeal for workers if they think something is wrong. There are no reasons given for judgements, nor are there any written judgements. It is power that is almost unparalleled for an individual in Ontario.

This bill will tear at the social and collective bargaining fabric of Ontario for years to come. If some people think there has not been much of an uproar until now, wait for six months or a year when people start finding out, those hard-working people who work for municipal, provincial and federal governments. In here they are seen as selfish and lazy by this government, but look for the uproar when our garbage collectors, hospital workers, nursing home workers or government clerks find out their wages are being cut back. Watch for the reaction when they find out that if they have a dispute there is no avenue of appeal—no right to arbitration and no right to strike.

3:50 p.m.

In short, we have a bill that attacks and destroys the basic rights of workers as well as the sanctity of freely negotiated agreements. Meanwhile government, the so-called official opposition and business attempt to stake out a position somewhat similar to what I heard from the government House leader at the press party last night. He told a number of us he could live with this legislation—it was not that bad because, after all, it was only for a year or so.

Others from both the Liberal and Conservative parties have been much nastier in their approach—almost apoplectic in some of the

speeches we heard in here yesterday and on the clause-by-clause the day before. And their approach has become a personal one. One senses at least a measure of discomfort on their part, and certainly we see the nasty remarks in the speeches directed at the 22 members in this party.

We have no shame whatsoever for the position we have taken. The Tories say they cannot run the business of this House because of 22 New Democrats. There are 70 of them. It becomes increasingly obvious when we look at our economy in this province that they cannot run the business of this province without us, either.

The Liberal Party, backed into a hard-line position with their leader, seem to seek relief almost totally in an attack on union bosses. How many times have we heard this from Liberal members over the last two or three weeks? In fact, we do consult with union people. They do not make all of the decisions for us but we are proud of the fact that we do consult with them.

Is the Liberals' problem the fact they cannot seem to meet on any equal ground at all? Their frantic efforts to find some rationalization for their subservience to the Conservative government on this issue remind me very much of that fat, fresh worm I used to attach to a No.3 hook when I was a kid fishing.

Let me repeat my opening remarks. I am hurt and disgusted with this bad, mean and unfair bill and I am proud to be resolutely opposed with every fibre of my body to its going through the House. Let me appeal to members to think back to the powerful comment of Martin Niemoeller on the rise of the dictatorial, fascist regime in Nazi Germany. I have always thought it had some real meaning, and I think very close parallels could be drawn.

Martin Niemoeller said: "In Germany they came first for the communists, and I did not speak up because I was not a communist. Then they came for the Jews and I did not speak up because I was not a Jew. Then they came for the trade unionists and I did not speak up because I was not a trade unionist. Then they came for the Catholics and I did not speak up because I was a Protestant. Then they came for me and by that time no one was left to speak up."

I see it as being just that serious. We are not that far in Ontario from some very nasty campaigns against groups of people from a variety of ethnic and cultural backgrounds. When a government gets afraid, the first people it starts to attack are the trade unionists and the workers.

They have started here with the public service workers in Ontario.

This is bad legislation that should not be allowed to be in the statutes of Ontario.

Mr. Kennedy: Mr. Speaker, I am pleased to have an opportunity to contribute to the ongoing, protracted debate on this very important and emotional and sensitive subject. Everyone knows the events leading up to this government action to deal with inflation. The bottom line is, do we move to address this very serious problem of inflation or do we wring our hands and let it ride along and hope for the best?

Over some 15 or 20 years it has been amply demonstrated in all countries I am aware of that hope is not going to work. It is not working. A government has a responsibility to lead, to address the problems that confront us. This the government has done. We would have been remiss had we not done that.

I listened with interest to the remarks of the member for Hamilton East (Mr. Mackenzie). I know of his intense feelings. He mentioned there had been 85 days of debate on this. Indeed it is just a week short of three months since this debate started. There is absolutely no question in my mind or memory that we have never given more consideration to any measure over the period of time I have been in this House.

It was placed upon us. As I said at the outset, do we take action or do we not? If you are charged with the responsibility of governing, the people who elected you expect you to do just that.

The member made a comparison between this government and fascist Germany. In all the time I have been here I have not heard such a far-out, dramatic, extravagant, irrational and totally inaccurate claim. I reject it wholly on the part of this side of the House, and I am sure my Liberal colleagues would join me in that expression. It was absolutely ridiculous. If we had got around to expanding the rules of unparliamentary conversation he would have been called to order on that.

Mr. Foulds: Who?

Mr. Kennedy: Him.

The member also mentioned he had been told the government would not consider any amendments. That might have been only within the last day or so because certainly, as with every bill, there is no inhibition to bringing forward

amendments which would be considered by this government.

Again, it was an extreme, inaccurate and —
Interjection.

Mr. Kennedy: Yes, a misleading statement.
Interjection.

Mr. Kennedy: Not leading; he is not leading the House when he makes that statement.

On the matter of inflation, this first came to my attention perhaps 15 or 20 years ago. Nobody paid much attention to it. It went on and on. We had high costs of goods, high wage settlements—30 per cent, 40 per cent, everything the economy would stand—and things went merrily along. Over that period of time learned individuals kept saying: "This cannot go on. The deck of cards will collapse."

I think we were heading towards that. The fact there are now settlements that are much less than those I have mentioned is indicative that the marketplace is at work. It is the ultimate agency that will control our economy. It certainly has been at work lately.

I am not particularly happy—in fact, I am unhappy—that it has been necessary to bring this forward. The Premier (Mr. Davis) has said that. But it certainly has to be treated on balance with the way things are going. I can easily relate it to the number of people who come into my constituency office. They are not lamenting that their increase is only to be five per cent, but that they are out of a job. I have a deep sympathy for them.

We then have the problem of what we can do to turn this economy around in order to create jobs, to give the private sector confidence to reinvest, to get our markets opening up and, ultimately—to hit bottom, if we have not already—to add jobs to our economy. This is a measure to do just that.

4 p.m.

The other night the member for Port Arthur (Mr. Foulds) mentioned that this measure will not create one job. If we can restore business confidence and private sector confidence in the economy in the province, they will reinvest. Then we can get some expansion going and get the economy moving again. This will be self-correcting and we will start back.

There is another thing that should be remembered. The New Democratic Party members have mentioned the harshness of this bill and said that if they had not objected, stonewalled, filibustered, done everything they could to stop the democratic process, if they had not done

that, who would? This bill was treated during its development and in the framing of it with a great deal of understanding as to the effect it would have on the civil service and those affected. That was very carefully considered.

I have here a couple of letters in support of this bill. One is from the Automotive Parts Manufacturers' Association. I will not read it all, but they say that to control inflation is crucial if business is to regain confidence. To me, there is a great deal of meat in that. I relate back to those in the private sector who are not limited to the restraint as contained in this bill but who are unemployed. Those people are subject to the marketplace at work. There is nothing harsher and more realistic than the marketplace at work. The marketplace controls wage restraint in that sector. I say it does it with far more harshness than this bill.

The second letter is from the Canadian Organization of Small Business, which is in support of the bill for the same reasons.

When we relate those things, hit a balance on it, we come up with this package that has sunset provisions. When they ask, "If the NDP did not oppose it, who would?" we can answer that that is looked after by the sunset provisions in the bill.

On balance, if the people affected can live with that over the period of time and give this effort by government a chance to function in concert with the federal government, we will all be better off. This country has resources that are unheard of in so many nations. If we can harness and exploit those resources, we will be on the road back to fuller employment than we have right now.

I noticed that the the leader of the Liberal Party mentioned he would like to see a complete wage and price control program. As we all know, that party's federal cousins in Ottawa attempted that. If it had any success at all, it was certainly temporary and limited. It was a failure.

It was implied that we, on this side of the House, had not considered the full package across the board—

Mr. J. A. Reed: There is a third factor that you are missing.

The Acting Speaker (Mr. Cousens): Order.

Mr. Kennedy: —that of wage and price control. In rebuttal to that, I wish to say that prior to introducing the inflation restraint program, the government considered a wide range of restraint options. It was very carefully dealt with. If honourable members will remember, it

was many months after the federal program was announced before we laid legislation on the table. During that period of time all these options were considered.

When the program was announced, the Premier indicated his interest in a national and economy-wide incomes policy. The federal government and a majority of other provinces contended that the private sector would respond voluntarily because of market pressures. That is what I was speaking of. Indeed, that has happened.

Ontario has always championed the free movement of labour, services and capital between the provinces. Canada is a common market. Attempting to control prices in a single province would create enormous administrative monitoring and enforcement problems. I can understand that. I think all members can understand that. Anything of that nature must be at the national level. The federal government is quite right, although it can only go so far. It spins off out into the world marketplace. For those reasons, our government rejected private sector price controls at this time.

With the concern that has been expressed since this bill came forward, I might say with regret, I support the measure we have before us now. I do not have the problems the Liberals seem to have still, wringing their hands about whether it will go to the standing committee on procedural affairs or to a House leaders' meeting. The Leader of the Opposition (Mr. Peterson) said, if we did not move on this, it would perhaps go for another several months. Of course, if it went on long enough, the time frames within the bill and the compliance period would expire.

I am not particularly happy to see this form of closure. It is not a harsh closure, if we want to use that term at all. I use it in the sense of establishing—

Mr. Stokes: The member's House leader said it was only the guillotine.

Mr. Kennedy: All right. I use it in the sense of the motion providing some time constraints on the bill. It is a soft closure, because there have been three additional days of debate. A harsh closure would have been the application of rule 36 to move the previous question. If we are going to adopt the bill, if we are going to move forward, if we are going to make this effort towards wrestling with inflation, then we must simply move ahead with it.

I am pleased to have this opportunity to address the bill briefly, to say it is worth a shot. If we can restore business confidence, as is mentioned in the letter from the APMA, so that

there will be confidence felt by business, and encouragement for them to expand rather than apprehension and, therefore, retraction, that is fine. It is so easy to say no to an investment if there is any apprehension on the part of business, and that only worsens the situation. Instead of retraction, if we can bring inflation under control, we will have growth in the private sector, we will have jobs restored and we will probably have new jobs.

My colleague the member for Mississauga North (Mr. Jones) is quite right when he says we will retain jobs if the business sector can see conditions turning around and if they have some encouragement to go on with the development of their businesses and towards retention of their employees.

4:10 p.m.

I am pleased to have the opportunity to address the bill on this difficult situation before us. We look forward to the reaction out there in the private sector and of the state of the economy over this next little period of time.

Before I close, I want to say that I am optimistic for the future for the reasons given. In recent days, I have had a number of businessmen tell me that things are not all that bad and that they have a somewhat positive view towards 1983, as I do.

I understand and appreciate the concern of those who are affected very deeply, but I do hope we will see this turned around and certainly, if it is, we can say that those members of the Civil Service Commission and its agencies who have been participants in this, and who have been affected by it, have shared their concerns and have been great contributors towards recovery.

Mr. Elston: Mr. Speaker, it is with pleasure that I rise to speak today. I might add that it is also with some degree of sadness that I speak in this forum on what I suppose is in many ways a result of a long series of deliberations, first in the House, then in committee, then committee of the whole House and finally back here.

It probably speaks to the state we find ourselves in now that we are unable to operate under the rules, regulations and unspoken guidelines by which many of our institutions have performed rather well for many years. It probably goes without saying that it is an example of how things are easily done and governing is easy when times are good and there is a sufficient supply of good times for everyone. It is an example as well of the reverse of that. When

there are difficult times, it is difficult to govern and it is difficult for anybody when there is not enough to go around.

The question this bill partly speaks towards is trying to decide when we are going to get into really planning to do a job for Ontario in dealing with the types of restructuring that must come out of this time of realignment and upheaval. I do not think there is a single sector in this province that has escaped at least a partial destruction of the way it has carried on its business, its lifestyle or whatever.

It is a serious concern of mine that, over the past several years, there did not seem to be a single voice that could come out to the people of the province, to the people of Canada or even to the world markets and warn us about the tragedies that lay ahead for those people who were living so well just a few years before.

I can remember when I first ran for this Legislature in March 1981, that part of the policy platform we were looking at in our party—and it also came to a limited extent from the fellow who ran for the third party—was an attempt to try to reawaken the people of our constituency to the very serious nature of the problems that were about to hit us from an economic standpoint.

It really came home to me at that time that when the person who ran for the government party spoke, he was pooh-poohing all the attempts we were making to tell the people that there was no plan and no structure available for the economy of this province to go ahead and develop the resources and those assets which we have here. There was nothing to develop the trained and skilled individuals we need to carry on that productive and competitive industrial capability that we in this province, and we in this whole nation, have.

There is a shortage of apprenticeship programs. There is a shortage of the type of manufacturing that we know we are capable of in this fine province. But the people would not hear of that in many senses of the word, because the Conservative candidate said: "Things have never been better. Things will never be better." Probably that last statement is true; things may never be as good again for many of the people in this province.

We have come to a very critical and crucial stage in the development of this province. I am upset for many reasons but, first, because it is difficult for me to accept the reaction of the government to this very serious and crucial problem in merely one bill, Bill 179. It very well

may be a first and necessary step—I cannot argue with that—but I cannot in my own mind say that we can fool ourselves into thinking that this is the final step that must be taken. It is folly to say that and there is not a single person in this whole Legislature who would see this as the final step.

The difficulty is that we have not received anything further to go with this bill. I would have preferred to see a strategy laid down and announced by the government, either through the Premier, who has a responsibility to lead, through the Deputy Premier (Mr. Welch), whose responsibility it is also to shoulder leadership in this province, or through the Treasurer (Mr. F. S. Miller), but we have nothing to go hand-in-hand with this.

We do not have the programs that are available to show that there is going to be a long-term strategy to bring us out of these difficult times in which we find ourselves. We have some temporary jobs for those who are unskilled which will last for maybe 20 weeks to enable the people to get back on unemployment insurance.

It is in that sense that I see Bill 179 by itself not as an end, not as a way of licking inflation by itself, as the member for Mississauga South (Mr. Kennedy) indicated. It is perhaps a beginning, but it cannot be seen in an isolated sense that it is, by itself, the end. It never will be the end.

The society of Ontario must work as a whole towards the elimination of the problem we face. The people of the province must deal as a whole with those structural problems that see difficulties in our competitive advantages being eroded in international markets, whether it be on the agricultural scene or on the car manufacturing scene, or whether we are having trouble selling our natural resources, as we are with lumber and paper products. There must be a comprehensive program to deal with those very serious difficulties.

It is in that light that I think we can focus very briefly on the types of thoughts that have been going into dealing with the serious economic problems with which this bill is supposed to deal.

In our party, we have been thinking a great deal over the last several months about the difficulties in making our institutions and structures work. A very thoughtful speech was rendered in Sudbury by my leader, the member for London Centre (Mr. Peterson), wherein he advocated something that has not really been thought of for many years. That is the co-operative effort of all the segments of society to try to

determine how best to structure our economy and how each part of our society can best participate in that—government, labour and business—forgetting for a moment their own individual pursuits of aggrandizement and putting themselves second to the benefit of society as a whole of both Ontario and Canada.

4:20 p.m.

Those may have been seen as musings in some sense of the word, but I tell you, Mr. Speaker, and the members who are gathered here, in such numbers as they are, that those are the types of serious considerations we must make as a society. We must determine to work together co-operatively to deal with these difficult problems.

For some time now, we in this province have felt the results of policies that have come from the federal sphere. I guess recognition of some of the futility of those was best enunciated just last week by the governor of the Bank of Canada, when he said for the first time that his M1 policy is no longer effective to do the types of things that must be done.

It is in that sense that all of us see Bill 179 as perhaps marking time while we gather our thoughts and launch into the development of an economy and a resource base here in Ontario which will again become the envy of every province in Canada and in many of the states of the United States of America.

We used to be that. When I was running for election in March 1981, I went around to public meetings suggesting that we had to do several things to get the economy going again. The Progressive Conservative candidate said there was no point going around spouting that sort of stuff, because our economy had not stopped yet. He was right to a certain extent, because he was only a few months early. Certainly it has stopped now.

With respect to this bill, it is with some sadness that I remark that we have not been able to put our arguments with respect to the amendments which we wished to propose to this bill. The members of the third party allowed the introduction of an amendment to subsection 3(4) on the basis that a limited debate time would prevent us from being able to put our amendment in the fashion that would command the support of the members of the government party and others for those amendments.

The amendments which we were hoping could come through dealt with due process with regard to those units of the public sector that were involved in binding arbitration out of

which they could not take themselves, and they dealt with the equalization of the act when there are union and non-union employees working in the same milieu. I have examples of that in my own riding at the Bruce nuclear generating station, where there are people employed by Ontario Hydro on construction projects who are working side by side with others who are not in the public sector. I had an amendment that would have increased the notching provisions to help those people who are most severely affected by this particular piece of legislation.

There was no co-operation that would allow us to put those amendments and to put them in such a way that we could feel they were justly dealt with in this House. There was, in short, none of the co-operation on which we think the future of this province and this country is so dependent. There was no co-operation because there was a small number of people who felt they ought to crusade not only to make their own point but also to prevent every other person from making a point or an argument on any particular section.

I am saddened, in addition, that when it came time to make sure that the nurses of Etobicoke were not dealt with harshly, the members of the third party voted against section 8, which includes amendments that would recognize the hard-won contract those nurses arrived at on the day of the announcement of this bill.

It saddens me that when in the wave of the future we can see co-operation as the light at the end of the tunnel, there was none here; that self-interest was the major thrust of the debate which was focused in this Legislature and which was developed in our committee.

In short, I see this bill as the first step, a small step. And I say this most emphatically: It is a terribly small step, because we as legislators cannot now run back into our burrows and hope against hope that everything else will come around in the rest of the world and that we will then be able to declare in two years' time: "My goodness. Bill 179 was the greatest success ever." It will never be successful unless we deal quickly and very emphatically with those structural difficulties that are affecting our industry.

Structural difficulties are certainly showing up in the auto industry, in the farm machinery business and in the agriculture industry. Restructuring in each one of those segments not only is imminent but also has already started to take place, and if any of us here are foolish enough to feel that this is the end of it, then we are just fooling ourselves and the people of Ontario.

We would have preferred it if a great number of sensible amendments had been made to this bill. There were even some amendments that the government probably would have liked to make as well. I can appreciate the last-minute lobbying that was performed by the Treasurer and others in the hope that we could leapfrog through the bill and pick up amendments to clarify vague sections and to make sure we eliminated any questions.

What is going to happen now, because those amendments were not put, is that there will have to be some kind of guidelines written out, presumably guidelines that we as legislators were not even able to debate or speak about here in the House. It is certainly one of the most unfair types of requirements of the government when it comes to this type of legislation; it is certainly unfair to the people this legislation reflects upon.

This whole process has, I suppose, saddened any veteran observer of the legislative process in Ontario. For the first time in so many years it just has not worked, and we are all shocked. I suppose as legislators we ought not to be surprised at that when all the rest of our institutions are reeling under the pressures of society and its disruptions.

I also am concerned because in this bill we do not have controls on the prices that government is responsible for. There are some areas, as the member for Mississauga South mentioned with respect to monitoring prices in the whole, that may cause some difficulties. But there is no such difficulty as one finds on the interprovincial and international pricing scene when one gets to government prices. We could control Hydro, we could control the Ontario health insurance plan, we can control licences and fees—we can step in and control those prices for which we are directly responsible, but it is soft-pedalled in this legislation.

That is one of the gravest problems for me. I do not see why we could not have been allowed to deal with the question of the inclusion of doctors and hydro rates in this bill and those other sorts of things. We could have dealt with rent review. We had prepared amendments; they have been available to members of the Legislature—to the people of the province, for that matter—since November 2. Perhaps the members of the third party read them and probably found them to be acceptable and sensible. Probably some of the government

people do as well, but we never had the opportunity of finding that out.

4:30 p.m.

I will not go on much longer. I have set out the reasons for concern and also the reasons why we as a Legislature cannot stop here in dealing with the problem that faces us. We have to look ahead and develop a co-operative and imaginative approach to our economic problems and to the restructuring that is occurring.

We cannot afford to let Bill 179 be the last step. It is nothing more than a first step. In that sense, we will take it and then we will press to ensure the benefits of this restructuring period will not be lost on a government that sits still. We must deal quickly and effectively with our economy now. I hope we can get the government to move in that direction.

Mr. Renwick: Mr. Speaker, I intend to be brief. The debate on Bill 179 is drawing slowly to a close. It has dominated the life of this assembly since September 21. By this evening, it will be part of the law of the province.

We have put a number of arguments before the assembly, at second reading, in committee, in committee of the whole House and on the report stage of the bill. We have made our contribution to denying the legitimacy of the actions of the government. We are profoundly concerned about the bill. We consider it an immoral and dangerous bill.

I happen to have been reading John Strachey's *The Strangled Cry*, a series of essays written by John Strachey. In part of one of the essays he deals with Walther Rathenau, whose name is probably not well known in this assembly, with Dr. Hjalmar Schacht, whose name may be somewhat better known, and the German tragedy.

In speaking of the Weimar Republic, which was served by Walther Rathenau and Dr. Schacht, he has this to say: "The history of German capitalism has, however, known no such happy endings." He is referring to the possibilities of the Weimar Republic. "In the event, Rathenau was murdered and the Weimar Republic broke down. It broke down above all because it never learned how to manage its economic system. Then at length and far more terrible and disastrous even than these failures, there appeared the appalling phenomenon of success under antidemocratic auspices. The Nazi servants of hell found a way to make an economy in the last stages of capitalism work only too effectively and they used the vast power so generated to shatter themselves and the world."

As part of the last enactments of one of the last governments of the Weimar Republic, the Brüning government passed a series of deliberate and drastic measures which accelerated the process of deflation in Germany. Among the actions it took in December 1931 was to cut all wages subject to collective agreements by 10 per cent. Strachey goes on to say: "The effects of all this can be imagined, coming on top of a heavy drop in demand for German export which the world slump was, in any case, imposing. This drastic reduction in home purchasing power went fully halfway towards bringing the economy to a total standstill."

I draw that, not in a sense of exaggeration, to the attention of the assembly. We all know that within 18 months of that action of the last government of the Weimar Republic, Germany had been converted on Bastille Day in 1933 into a one-party government. On the way, the party with which we now have cordial relations was declared unlawful in Germany and was destroyed. We say drastic things about this bill, because we are concerned about it. We have put arguments that support the following indictment against the bill under 10 counts. I want very briefly and simply to list those counts.

It selects for punishment one sector of the public, the public sector. It makes lawful what would, but for this travesty of the law, be unlawful. It is living proof that this government not only does not understand, but has no sense of the history or the struggle that working people have put forward in the western world and in this province with respect to the collective bargaining process. It emphasizes the helplessness of those in the public sector who do not have the advantage of being protected by a trade union. It ignores the reality of Ontario.

It is reported to be taking \$740 million out of the pockets of the working people in the public sector. It makes a joke of the principle of ministerial responsibility. Its passage has required the government to override the legislative process. It scorns Ontario's responsibilities in international law as part of the federal system of Canada. It mocks the principles of natural justice and it is unconstitutional.

I say advisedly to the government that the people of the province have three protections: The government of the province, which has failed them; this Legislative Assembly, which is about to fail them; and the third and last line of defence for the working people of this province, the courts. If the government members have the confidence in this bill they state they have, then

I challenge them to refer it immediately to the Court of Appeal, the Supreme Court of Ontario, for a judicial decision with respect to its constitutionality, having regard to the much-vaunted Charter of Rights, which is part of the Constitution of the country, particularly with regard to that fundamental freedom that no one has, freedom of association. I say in very brief summary, the bill is immoral, it is wrong.

Mr. Williams: Mr. Speaker, I appreciate the opportunity to participate in the debate on Bill 179 in the dying hours that are remaining to us for this all-important debate and discussion. We were reminded just a few moments ago by the member for Riverdale (Mr. Renwick) that this whole process started some two and a half months ago.

4:40 p.m.

I think the amount of time that has been allocated to debate of this one bill indicates the importance that has been placed on the substance, the subject matter, of this bill by all parties in this Legislature.

Our democratic process has often been said to be faulty. Indeed it is, but as statesmen have pointed out, while there are weaknesses in the democratic process, still the democratic process is the best system that has yet been invented, when we compare it against other systems of government.

In the democratic process, elected people have a great onus placed upon them. Not only the elected people who represent the party that happens to be in power at any given time, but that onus rests just as heavily on the shoulders of members elected in opposition.

I suppose that those in power have a somewhat heavier responsibility in the sense that ultimately resting with them is the responsibility to set the policy, make the decisions and to bring forward and enact the laws they feel are in the best interests of the people at large.

Under our democratic process, of course, it will not work well unless we have an effective and responsible opposition, whether it be one party, two or more.

We pass laws in this House on an ongoing basis. I do not think I have to point this out to you, Mr. Speaker, but I think it bears repeating that it has been said on more than one occasion, that every law that is passed is bound to adversely affect someone in some way, because there is no law that has ever been passed that I know of that has not adversely impacted someone in some way, either perceived or in fact.

The greatest responsibility of governments is to enact legislation that is equitable and fair and that is in the best common good.

We well know there are many occasions when we as a government party, who have the responsibility to initiate policy through new legislation and laws, have had to bring in legislation that we were not necessarily desirous of laying before this Legislature and that we did not take a great deal of pride in having to introduce, but nevertheless, in order to live up to our responsibilities felt there was an absolute need to introduce legislation we knew at the time was politically unpopular. That has been done on more than one occasion.

Let me cite as an example—totally unrelated to this bill but I think it makes the same point—the hue and cry, the many letters, the many telephone calls that we received at the time we brought in what we thought was appropriate social legislation because it dealt with the very safety and lives of individuals.

Yet, of the people we were trying to protect and in fact did protect with that legislation, many were the very people who cried out the loudest that their personal rights and privileges were being taken away from them. What I am referring to, of course, is the legislation that had to do with the mandatory wearing of seatbelts in automobiles, or the case where those who enjoyed motorcycling had to wear helmets.

They felt, probably quite rightly, that their personal rights and privileges had been encroached on. “Who is to tell me whether I have to wear a hat when I am riding a motorcycle or a seatbelt while driving a car?” That legislation was enacted because we felt it was for the common good. Yet it caused a great deal of resentment, and it was not necessarily popular legislation in that sense.

Here is another example, and again it is a question of perspective. Our friends from the third party during our days of minority government spent a great deal of time hammering and criticizing this government because of the policy decisions we had taken with regard to providing financial assistance to an underprivileged sector of the province up in the far northwest. I am referring in particular to Minaki Lodge. A great deal of time was spent in committee and in the House when the members of the third party lashed the government and got all the press they wanted over this particular issue, because it made good reading in the Toronto papers.

It was interesting. We were looking at the

broader issue of having to assist another sector of the province that may not have had much meaning for the people in Metropolitan Toronto, yet it went to the very economic wellbeing and livelihood of the people in another sector of the province. The reality of that situation and the responsibility we took in the issue became very vivid and well understood at the time that the then leader of the third party went up into that part of the world during a certain election, and realized how important it was to have a broader perspective on issues and what it might do for them in another sector of the province where it did not have such a personal meaning and purpose.

That is what I mean by those in power having to look at an issue on a broader basis. Here, of course, the situation stands out so clearly with regard to Bill 179, because certainly it was not with a great deal of desire—in fact, it was regrettable—that we felt the need to bring in this type of legislation. But we knew, given the economic circumstances and times, that there was no alternative left open to us.

I have talked to a number of my constituents who are in the trade union movement. What they have said to me privately is what the third party in particular will not admit publicly, and that is the fact that these people realize that action of this nature had to be taken. Even though they were directly affected by it, they understood; they accepted the nine and five formula.

Mr. Philip: Name them.

Mr. Williams: I would suggest that they might be ostracized by their superiors if I were to do that, and I do not want to jeopardize any personal rights or privileges of individuals, the rank and file in the organized labour movement.

But I should say that they understood and appreciated that the days of the mid-1970s were gone, the days in which we were bringing in budgets on a regular basis where there were increases of 15, 16 and 17 per cent for the ministries, with similar types of wage settlements following in that pattern.

That was all right when we had the financial resources to do those things, when the economy was humming, when everybody was at work and when industry was crying out for skilled and unskilled labour because they were so busy and were doing so well and were paying taxes into the government coffers so that we could afford to keep pace with that blossoming economy.

We could adjust to that. Everybody was living the good life.

4:50 p.m.

But our government, earlier than any other provincial government, started to realize that there was a downturn taking place and we started to exercise restraint in our budgeting.

Mr. Boudria: When?

Mr. Williams: We have consistently, from 1976 on, started slowly and in as fair and equitable a fashion as possible, to draw back. We started to point out that the high spending by government, by industry and by the populace at large, had to be readjusted. It was, in fact, but not without some difficulty.

This is what Bill 179 is all about. It goes to the very heart of our difficult economic times. In order for our society as a whole to come out of these difficult economic times successfully and to put our economy back in place and humming again, so to speak, it requires the combined effort of industry, government and labour to act responsively and in a sensible manner to deal with the current conditions.

It was suggested by a number of other speakers—I think the member for Prescott-Russell (Mr. Boudria) pointed out in his comments that he did not think that the interests of this Legislature had been served by the tactics and strategy that had been applied to this bill by the third party. In response to that criticism, I believe the member for Etobicoke (Mr. Philip) said: “You cannot make a silk purse from a sow’s ear.” Neither can you make the democratic system work when the government has irresponsible opposition parties. That, exactly, is the even broader issue that has come into play here during this two-and-a-half-month process.

As you well know, Mr. Speaker, the third party has taken the opportunity in the House and in committee, over not days or weeks but months, to talk about not just Bill 179 but rather to talk around Bill 179. While the member for Etobicoke talks about sows, they talked about everything from aardvarks to zebras. That was what brought about one of the saddest experiences we have had in this House in the past decade.

It became quite evident and clear when the member for Hamilton East, in a very weak response to this criticism, started to lash out at the news media. He suggested they were not being responsible by not giving the perception and the point of view to this bill that they, as a third party, were giving; that somehow the press

was being irresponsible and did not understand the situation.

I suggest that if the third party had been more concerned with responsible government rather than responsible press, this bill would have received the attention that it deserved in a much more responsible way. That responsible manner was, of course, by going through the normal debating process, as has been alluded to by the members of the official opposition.

It has been pointed out that while this bill is a good bill in the sense that it had to deal with the circumstances of the times, if we had had the normal opportunity to deal with amendments and suggestions that have been put forward, a good bill may have been made even better, but we were prevented from doing that by the behaviour and the actions, or inactions, of the members of the third party.

Quite frankly, I suggest they did not serve the best interests of the trade union movement by taking the actions and applying the strategies that they did, because while their image has been less than enhanced by this procedure and strategy that they have applied, unfortunately there has also been a fallout on the trade union movement who have a very strong vested interest in this matter and who have shown, of course, a very active involvement in the whole process, and so they should. But I do not think the party that purports to be the sole party to espouse the interests of the trade union movement—at least that is the perception they have tried to convey to the public—in fact did those they were trying to serve a service.

I have to say that normally the third party, as is the official opposition, is very effective in debate and in dealing with bills, in going into clause-by-clause discussion of legislation. We invited that discussion and that debate. It was regrettable that they shirked that responsibility on this particular occasion and that they in fact walked away from a very heavy responsibility to come in and work with the government party and the official opposition to make that bill as equitable and fair as possible.

What has happened as far as the strategy which has been applied is unfortunate. It has given cause for us to reassess our way of doing business in this Legislature and if ever the need cried out for a change in our procedures in this House, the results of the past two and half months have indicated the need is now.

I would hope that early in the new session we will, in fact, through the procedural affairs

committee, reassess our position with regard to the standing orders of the Legislature and the way in which we do business here, because I think that all of the people of Ontario would have been better served if the normal democratic process had been allowed to prevail on the debate on this bill as on other legislation.

Mr. Martel: You will make the rules so there can be no opposition. You will use your majority for it.

Mr. Williams: One of our friends who is throwing complimentary remarks across the way has suggested that we use our majority. In fact, the majority is what the democratic process is all about. It is very seldom that you have a responsible opposition party supporting a government bill and I think it is very difficult for an opposition party to be able to publicly go on record and say that in principle they will support a government bill. I have to compliment the official opposition for having done that in this particular instance, because they understood the broader ramifications that this bill holds for all of us.

It has been pointed out on a number of occasions by the speakers from both opposition parties that this bill alone will not address all of the ills of our economic times. We, as you well know, have been the first to say that. In fact, the very day that this bill was introduced into the Legislature by the Premier, it was pointed out that if anyone thought that this bill alone was going to solve our economic ills they were living in a land of make believe. That is well understood. It has been said on a number of occasions this is only one aspect of the government programs we feel are necessary for the times if we are to address these difficult economic times. The Board of Industrial Leadership and Development program is the area in which government initiatives are being taken to assist industry, and labour that works with industry, to create jobs and to provide a higher level of economic activity in this province than might otherwise have been the case.

5 p.m.

There is no other provincial government in this country that has provided greater initiatives than those presented by the government of Ontario through its BILD program. That program is complementary to, and has to be dealt with in concert with, this type of legislation where government has to exercise responsible restraint. I have talked, as have others on both

sides of the House, to people who are employed in the public sector. They will say privately what they may be reluctant to say publicly, that if this type of action had to be taken, it was done in the fairest and most equitable manner possible.

Mr. Swart: Yes, by putting the doctors in.

Mr. Williams: It is regrettable the member who interjected a moment ago did not give the official opposition the opportunity to discuss an amendment it wanted to put before this House for thorough discussion and debate. The debate that could have ensued, if we had been given the normal opportunity, would have been a productive one from the official opposition.

Interjections.

Mr. Williams: It is regrettable that in the few moments left to me the third party could not put into perspective the broader issues that were involved in this legislation throughout the debate. The responsibility of the government in power is to deal with the issues in a broader perspective. We have to deal with them in a way we feel is in the best interests of all the people of Ontario. Sacrifices have to be made by government, by labour and by industry. All three have to participate if it is going to work and if we are going to be able to recover from the extremely difficult economic period we are experiencing. It may have been politically unpopular but we did what we felt was responsibly correct.

To suggest, as the member for Hamilton East did, that he did not want to get involved in a clause-by-clause debate because his party's proposed amendments would be defeated in any event, is really bewildering. Up until this time, NDP members have always felt there was a need to put forward amendments to legislation to improve the bills put forward by the government. It is interesting to see they have reneged on this occasion. As I said earlier, it does not enhance their position as a political party. I think that tactic and strategy has backfired on them.

In closing, I simply want to put the whole issue into perspective by pointing out that this government is attacking these economically difficult times on two fronts. It is not only exercising restraint, as exemplified by Bill 179, but it also is implementing budgetary programs, with BILD being a very integral part of them, and injecting additional financial resources into the short-term work programs such as were announced November 22 and more recently by the Treasurer.

These are the initiatives this government is taking, and we feel collectively that all of those initiatives together will benefit the people of Ontario and restore this province to sound economic health.

Mr. Swart: Mr. Speaker, my colleagues in this party have put forth a great many valid reasons why this bill should not be passed, but I want to add one more, and that is that this bill is a hoax.

The government over there billed it as their only weapon to fight inflation. That weapon is nothing more than a cap gun, and it is not pointed at any of the real enemies, such as high interest rates, massive unemployment and the disintegrating economy. The real gun in this bill is pointed right back at the very people the members opposite claim they want to save.

Today they are conscripting an army of 500,000 and starting them on a forced route march, and the Liberal official opposition is acting as scouts to help round them up. That army will wander aimlessly and dejectedly, because they know the enemy they are out to seek and destroy is the illusory straw man of excessive wages. They know they will not be discharging a single bullet against the villain of inflation.

That army of 500,000 will ache and suffer pain and embarrassment from their ordeal. There will be no doctors to minister to their sores and their broken spirits. The army command at Queen's Park decided that doctors should not go with them, that the route march was too arduous for that elite group. There will be other health personnel on the route march, namely the low-paid female section, like public health nurses. Unfortunately the only medicine they have to administer is no good. They have been forced to take it themselves, and it makes them sick.

The mobilization exercise provided in Bill 179 to fight inflation becomes increasingly ludicrous. The generals here at Queen's Park are being more and more perceived as the asses they really are. By comparison to them, Hogan's Heroes and the Keystone Cops look like the saviours of Stalingrad.

But there may be a happy ending. After a year or two or three this 500,000-strong army, wandering among the populace of increasing numbers of unemployed, dispossessed and disenfranchised, may convince these people that the solution lies in a whole new approach, a whole new direction. Conscripted into this army have been teachers, the union activists and the con-

cerned social workers. Together they are a formidable team.

While the Tory command now has its gun to their head and they have to remain in the army, the generals cannot stop them from thinking and talking and planning. It just may be that this army can convince their colleagues and their friends and relatives who are still on civvy street that the Tory military strategy is really not the right one, that it is really the government that should be on the firing line.

If the government wants to control inflation, which is, of course, really the control of the prices of goods and services, it should establish a fair prices commission and stop all the price hikes that are unjustified. And if the government wants to control inflation, it should develop and implement an economic strategy for full employment so we run the economy at full capacity and produce goods cheaply. And if the government wants to control inflation, it should put people back to work so there will be a broad tax base and not overload just the segment of the society that is working.

I predict that these are the things the public really wants, and by this arbitrary bill the government is going to speed up the public's resolve to bring them about. This party will be using every legislative and parliamentary means to assist them towards those ends. In spite of what the government thinks, by making this bill into law, as this Tory government with the help of the Liberals is going to do, they will be facing the firing line of a mobilized public opinion in the next election. And they will fall like the brass braid tin soldiers they really are.

5:10 p.m.

Mr. Cooke: Mr. Speaker, I want to make a few final comments about what has been a very difficult situation for the last 85 days. When we were called back on September 21 we decided this was a bill that was so dangerous it had to be fought with every possible weapon that could be found within the rules of the Ontario Legislature.

It has been a long and hard fight and, as my colleagues have said, I think this party can be very proud of putting principle ahead of political gain. I think the one party in this Legislature that looks the most foolish and comes out of this whole debate with a much lower esteem than it went in with is the party to my right.

On this piece of legislation, the Liberal Party has felt uncomfortable and it would have liked nothing more than to see this bill passed in two or three days and behind them. They criticized the tactics we have used to fight this bill, but

they have used the same tactics. When they felt strongly about something the government is doing they let the bells ring. They have done the same things on Bill 127.

There were even occasions when they have held up supply and held up the money going to people who need the income from government, whether it be senior citizens or individuals on mothers' allowance. The party to my right used that tactic a couple of years ago as well. We do not need to hear ridiculous lectures from the Liberal Party about our tactics.

We felt strongly about the principles involved in this bill and we decided from the outset that it had to be fought with every weapon available to us. I am proud to have been part of that process.

I want to remind the members of the Legislature about some of the comments that were made. The party to my right says we have denied them the right to put amendments. I want to reiterate what has already been said in interjections, that the government House leader indicated to the Liberal House leader and my House leader that every single one of the amendments proposed by both our party and the Liberal Party would be defeated. So let us not hear the kind of silliness we heard from the member for Oriole (Mr. Williams) that those amendments would have been carefully considered.

If the doctors were to have been included in this legislation, he knows as well as I do the government would have brought in that amendment. It would not have let another political party get credit for that. If this government was interested in bringing natural justice into this bill, it would have approved that amendment the other night or it would have proposed its own. The reality is that the bill is as it is and the government had no intention of accepting any of the opposition's amendments.

That was the reason we set out our strategy at the beginning. The bill could not be amended. The government had set out the principles it wanted in the bill and it was not going to be amended. The only solution was to have the bill defeated or withdrawn.

It is sad to say that, had the Liberal Party thought about that, if it had accepted that and lived in the real world, if it had worked with this party in fighting that bill, perhaps we would have been able to force the government to back off. I think the Liberal Party is as responsible, if not more responsible, for this legislation becoming law today as the Conservative Party. They

are partners in this denial of democratic rights for 500,000 people.

Today is a very sad day in the history of Ontario. The member for Oriole said a few minutes ago he was concerned that our party had not looked at the wider issues. I might suggest to the member that is exactly the reason this party opposed the bill, because we did look at the wider issues: The issue of democratic rights; the issue of whether this bill was immoral, whether it destroyed principles of free collective bargaining, principles the government House leader lectured me and other members on at a House leaders' meeting about a year and a half ago. He said: "No, no. Free collective bargaining is not a principle of a left-wing party. It is a basic principle of the Conservative Party that government should not interfere in free collective bargaining." That is what the government House leader said last year.

Now, because it is politically popular, because the polls indicate the Conservative government had to give the impression they were doing something about the economy, they ignore the real problems and attack 500,000 civil servants in Ontario. It really is a disgrace.

Again, the party to my right came up with all these amendments, but when the Leader of the Opposition spoke in the House in his response to this bill, he said first of all that the main thrust of the committee that would examine this legislation should be to decide what was going to be done in the post-control period, because he was convinced that there had to be controls after this legislation expires. He also said: "The program is designed to last only one year. I do not think that is adequate." That is what he said back in September of this year.

It was not until the Liberal Party heard many of the arguments we put forward as to why this bill was wrong and the arguments that were put very eloquently by the member for Riverdale on natural justice that the Liberal Party picked up that argument.

I went to a meeting in Windsor where the member for Windsor-Sandwich (Mr. Wrye) was present. He got up on the platform and said, "This bill has fundamental flaws, but we can support the principle." If it has fundamental flaws, it seems to me that means you cannot support the principle. If it is flawed fundamentally it does not deserve support on first reading, second reading or at any stage through discussion in the Legislature.

Interjection.

Mr. Cooke: Yes, it will be interesting to see if the member for Windsor-Sandwich is present.

We now, as members of the Legislature, have to consider what is going to happen after this legislation becomes law and when it expires. I suggest that it is a legitimate concern that this legislation will destroy and have serious effects on labour relations between teacher groups and boards, between city workers and the municipalities, etc.

We are going to have rocky labour relations in the public sector after this bill expires, because during this one, two, and in some cases three years of controls, rights are being taken away, wages will fall further behind, even further than they have fallen before, and there is going to be a natural desire for catch-up, and rightfully so. School boards are going to resist and we are going to have very difficult labour relations. Then we as members of the Legislature are going to be called upon by this government to pass more back-to-work legislation. That is exactly what will happen.

There will be strikes, and then this government will come in and say again that the unions and the teachers' federations are wrong and that we have to end the strike. The root of that problem is going to be this piece of legislation, which will cause those difficulties.

Free collective bargaining works and it has been proven to work, especially in the teachers' area where Bill 100 was brought in. Some of the problems that existed across the province have been smoothed out. Now with Bill 179 all of those advances are going to be destroyed.

As I said before, today is a very sad day. Later on this afternoon royal assent will be given to this piece of legislation. I am not happy to be participating in this debate. I am sad that the legislation was ever introduced and I am sad that this government refuses to take a real approach to attacking the economic problems and instead takes a political approach. Whether it is the budget, whether it is the Board of Industrial Leadership and Development or whether it is Bill 179, the government consistently looks at the economic problems and takes a political approach instead of coming to grips with the real difficulties.

Just to finish, Mr. Speaker: I am very proud of the opposition this party has put forward on this bill, and I think over the next few years there will be many more discussions about Bill 179 and its implications. That bill will continue to

haunt this government and the Liberal Party for many years to come.

5:20 p.m.

The Acting Speaker: Does any other honourable member wish to participate in this debate? The time constraints left are 11 minutes, seven minutes and five minutes.

Hon. Mr. Gregory: On a point of order, Mr. Speaker: If none of the opposition parties wants to speak, would you begrudge us some of this time that is left over?

Mr. Cooke: They have seven minutes. Tell them to use it.

Hon. Mr. Gregory: I am just asking if there is time left over because we have members who would like to speak. But if you would rather we did not, that is fine.

The Acting Speaker: There is five minutes left for this side, chief government whip.

Mr. J. A. Reed: In the seven minutes that I have left I will try not to duplicate some of the things that have been said here today. Indeed, it is an unfortunate day for me personally. For seven years I have had the privilege of serving in this Legislature and my constituents in Halton-Burlington. For the past 10 weeks, I have been one of those who have borne witness to actions by the third party that have prevented the forward motion of this Legislature and held up the process—

Mr. Swart: Backward legislation.

Mr. Martel: Go ring the bells for four days.

Mr. J. A. Reed: I just want to tell those fellows, they talked a lot about unamendable bills and so on this afternoon, but they have wanted it both ways for almosts 10 weeks. They have tried to play both ends to the middle all the way.

I just heard a speaker say that the bill was unamendable. Yet the other night, they stood and supported an amendment. How can they have it both ways?

Mr. Laughren: It proved the point.

Mr. J. A. Reed: I have to point out that the one amendment that the government has put into this so-called unamendable bill they have been talking about was a Liberal amendment that brought justice to the public health nurses. They know that was a Liberal amendment.

They talk about the bill being unamendable. But we understand the reality of a majority government. We understand that the process has to take place; and, in fact, in principle we have supported restraints. As a matter of fact,

on July 10, 1982, my leader went on record as proposing a three-point package, which was wage restraint in the public and private sectors, coupled with price restraints where they could be applied and an economic renewal program for Ontario.

We felt that those three things had to move ahead hand-in-hand if this province was to recover economically. That is why we are not satisfied that this bill has gone far enough; and the third party pointed that out.

Let us look at some of the things that might have happened if we had been able to bring in the amendments. Increases in Hydro rates would have been limited—

Mr. Swart: Don't face the real world, eh?

Mr. J. A. Reed: Just remember, it has been the actions of that party that prevented these amendments from being brought forward. And it is through their actions that we have had unprecedented motions in this Legislature which have established precedents for closure which has never happened before in this province. The responsibility for that lies right there with the rump of the opposition. It is the steerage that is trying to guide the ship, and they have blown it. They overstepped their boundaries and they know it.

It is upsetting to those of us who are attempting and who have attempted over the years to be responsible opposition members. An opposition is necessary in any democratic process. Maybe it is because they have too much research support. They are supported to the level of 30 members when they only have 22. Maybe they do need all the help they can get.

Mr. Swart: You sure need more.

Mr. J. A. Reed: We sure would appreciate having a little more.

Look at what the public sector workers have missed because we have not been able to introduce our amendments. The present minimum increase for those lowest-income wage earners is \$750. The minimum increase would have been \$1,200 under our amendment.

I just cannot understand how a responsible opposition can oppose those kinds of amendments and stand up with any kind of conviction and say the bill is unamendable, because of course it is amendable; it has already been amended.

I expect that the socialist party in Ontario is being seen finally for what it really is. They certainly do not represent opposition in this province. They can be very sure that in the next

election there will be a new constituency of responsible citizens attracted to this party right here. Their numbers are not going to be 22 after the next provincial election; we may very well be able to drop the 20 and leave the two.

This bill must be supported at a time when our province's financial condition is the worst it has been in many years. The responsibility for much of that lies right over there with the government, but we must get out of it and the only way we can get out of it is by supporting this bill.

Mr. Rae: Mr. Speaker, I realize I am new here and this is an innovation, but after listening to speeches from the Liberal Party today and over the past two and a half months, I want to suggest that a crowbar be placed alongside the mace between the opposition and the government so that there will be something to use to pry the Liberal and Tory parties apart when it comes to major pieces of legislation. We are going to need that crowbar, because it is the only possible way we are going to be able to get them apart.

I want to make just two basic points about this legislation. As has been said many times and has been said today by my colleagues in the New Democratic Party, this is a sad day. It is a sad day for two reasons: this bill represents perverse and wrong-headed economic policy. It has been suggested by members opposite—the member for Mississauga South, the member for Oriole and the Treasurer himself—and by members of the Liberal Party, that this is somehow a first step on the long road to recovery, that this is an essential element in the overall economic strategy that the government has for recovery in Ontario.

I want to suggest that a measure that takes money out of the pockets of working people, that takes money out of the pockets of people who buy cars, refrigerators and yes, who might even aspire to buy a home, can hardly be described as a policy that is in any way, shape or form a first step on the road to recovery. It has nothing to do with recovery.

It is a measure that takes purchasing power out of the homes of people who live in this province. It is also a measure that will lead to even fewer cars being sold than are being sold today, even fewer homes being sold than are being sold today, and fewer refrigerators and other appliances.

5:30 p.m.

For it to be described by the Treasurer or

anyone else involved in the economic management of this province as somehow being a part of an economic strategy is a pathetic and perverse statement with respect to economic policy. It has nothing to do with inflation. It does not attack the sources of inflation, as my friend the member for Welland-Thorold (Mr. Swart) has pointed out with such clarity and vigour. It has nothing to do with interest rates. It has nothing to do with unemployment.

It is a measure that has to do entirely with one thing and one thing alone. It is a political measure. It is a cosmetic measure. It is a measure designed to teach the public servants of this province a lesson. It is an attack on collective bargaining and on arbitration, because this government feels it has lost control of its own workers, the people who work for it. This is the only method it can devise to regain political control of the public service. It has nothing to do with economics.

If we want to talk about the broad picture, as the member for Oriole did, as he put this in the context of helmet legislation and seatbelt legislation and drew some weird comparison between those two things and this piece of legislation, this government has been driving without a seatbelt and without a helmet for one hell of a long time. It has been playing without a helmet for a long time too, judging from some of the speeches we have heard.

This legislation is perverse not only in the way it affects the economy, but if one looks at the broad picture, at what has happened in the 50-year cycle over the past few hundred years in the history of capitalism and at the kind of deflationary mania that seized hold of the North American economy and the European economy in the 1920s and early 1930s, one will find a direct parallel to what is being proposed by this government.

That is what makes this policy so tragic for people who are looking desperately to their government for jobs, security, leadership and some sense of compassion and understanding of their situation. What they get are phoney solutions which are only going to deepen their problems and drive the whole of the North American economy deeper into a recession from which it has to emerge if we are to provide hope for our people.

The bill would be bad enough if it were simply an economic measure designed to drive the economy further into recession. But it has deeper implications, which have been drawn on and spoken to most eloquently by my colleagues

the member for Hamilton East, the member for Riverdale, the member for Welland-Thorold and the member for Windsor-Riverside (Mr. Cooke). They have spoken with such eloquence, I am proud to be associated with those members and their remarks with respect to the implications of this legislation, not simply for the economy but for the rule of law in this province.

Working people have come some way in this province in creating institutions that are democratic, in creating rights that have the force of law, in imposing the rule of law on employers as on themselves. There is no employer in this province, apart now from the government, that can with tranquility and total equanimity break its contract. There is no union in this province, as they know full well and having suffered the penalty, that can break contracts without people being thrown in jail, being fined or losing their jobs. That is what makes this bill such a travesty of natural justice, of administrative justice, of basic constitutional principles and of what is simply fair.

If I may relate to the members opposite, not on the basis of some abstract notion of law but on what they know is fair: Surely they believe that a bargain is a bargain. Surely they believe that when a hospital worker goes to arbitration—because a hospital worker cannot go on strike—that hospital worker is at least entitled to respect from the government and from his employer for the contracts that have been imposed by arbitration. Surely that is the least they can expect.

But no, that is not what the government is prepared to do for those people. The government is simply saying to those workers: "Your contracts are unimportant. Your contracts do not matter to us. The fact that you have negotiated and have some collective rights that are of some importance is of no concern to this government." Yet the Premier gave an assurance last January, when he met with a number of trade union people, that he had no intention of bringing in this kind of a program, because it would be unfair.

I suggest that members opposite know very well it is unfair. They know there is something ludicrous about reaching a settlement with the doctors in the springtime, providing for increases of 14 per cent and 15 per cent on salaries of \$80,000, and then turning around and saying to a worker who is making \$15,000, "You are going to get five per cent." The government knows that sticks in its craw; it sticks in the craw of anybody who cares about fairness in this province.

It is astonishing to me that this government has brought in this legislation, that it has persevered with this legislation in the face of the sense of fairness, the sense of justice and the sense of decency it knows exist in the hearts and minds of most of the people in this province.

In closing, I want to say that there was a famous dictum I learned in law school, that the history of the common law was the story of the transition from status to contract. I want to suggest that, as far as the law of employment is now concerned in this province, we are moving away from contract to status, which is not determined by the force of collective bargaining, by the force of equal rights and by people joining together and reaching what can be described as democratic rights and responsibilities. Status is arbitrarily determined and confined by legislative edict. It is then determined and confined by one individual and one individual alone.

It is a world where public servants who have signed collective agreements, who have been given or worked for, struggled for and finally had their rights recognized in some modicum of law, now are being told that all those rights, all those statutes, all those protections are gone and have been replaced, not by the rule of law, not by the rule of fairness, not by natural justice, not by a right to a hearing, not by a right to a written award, but by nothing more or less than an edict, an edict imposed on them by one individual appointed by the Premier. If that is not a travesty of natural justice, of what is fair and reasonable, of what I think would strike most citizens of this province as decent in the very minimum, I do not know what is.

It has been said by the member for Brant-Oxford-Norfolk (Mr. Nixon) that somehow I am responsible for the situation in which we now find ourselves. I want to say that I accept the compliment. I accept it, not on my own behalf, but on behalf of my colleagues, 22 strong. We are proud of the fact we have been an opposition that has insisted on our right to be heard. We have not been afraid of the polls. We have not been afraid of the coalition between the Liberals and the Tories. We are going to take this battle from this Legislature to every union hall, to every hospital, to every school, and on to the streets of this province. We are going to defeat this government and that party because of the kind of legislation it has introduced.

Mr. Jones: Mr. Speaker, I hardly know where to begin in the dying few moments of the elongated debate that has accompanied Bill

179. We had an opportunity in the early debate at second reading to have people come before us in the standing committee on administration of justice to make presentations on the impact of this legislation. We had an opportunity in the debate that, unfortunately, degenerated in the justice committee in those couple of weeks when we had instructions from this House.

We unfortunately found ourselves involved with the leader of the New Democratic Party, who now proudly tells us it is something he is happy to associate himself with, a dialogue of gamesmanship in order to stall us from getting down to what the Liberal members have mentioned today, a chance to work with this bill, to examine the reasons for this bill and the effects it will have on our economy.

5:40 p.m.

I simply suggest it is important in these last few moments to remind ourselves why this legislation was brought forth by this government. The members will recall that our Premier joined in second reading of the debate, as well as our Treasurer as he carried this legislation. They clearly pointed up and reminded us that we have had 10 years of a period of extreme economic turmoil.

We know we are in difficult times, not just in this province but also in the country and in world economics. Contrary to what we just heard from NDP speaker after speaker, where they pretended this is not part of an overall program by this government and pretended it is somehow or other a silver bullet, we never said that as the government here. We said it was an important program towards the combination of remedies this government is bringing forward.

We heard a lot of kidding of my colleagues in the debate as they pretended the BILD program was somehow less than the economic strategy that it is, something less than an all-encompassing economic strategy for this combination of ministries as they go forward and work with the private sector in restoring the vitality that Ontario's economy is so well known for the world over.

I think is very important to remind the members we have sadly seen some distortion in this debate, especially by the New Democratic Party. We heard today a reference to the tactics of this government. Can one imagine that, after the tactics we have seen from that party; somehow or other they wanted to link us with a German state in 1931? The member for Riverdale, of all people, pretended that a cut proposed in the public service back in 1931 was related to

what this legislation has to do with, a restraint program.

I remind the members that, yes, this is a restraint program. We know the government was faced with options as it holds itself out to the private sector and the other parts of our society. Finding ourselves in increased borrowing, adding to the cost of increased government or facing the cutback of our civil service; these are the type of options we have if we do not have a restraint program such as this legislation so clearly spearheads.

I suppose the sad comment that should be a reminder to all of us, given the debate that has taken place over Bill 179, is when we had the member for York South (Mr. Rae), as the leader of the New Democratic Party, again pretend that somehow or other the government was using this program as a phoney program to play to some kind of poll.

I have never heard such nonsense. Those people should get up and admit just for once, and it would be good for their souls, that they took this and made a political game of it from day one when they went into that committee and started saying, "We are pledging to slow the process, to do everything we possibly can to prohibit this restraint program going forward."

They proudly claim they are going to pretend that somehow or other they were for the best interests of the people they pretended to be representing in that committee. All the time they were playing politics like crazy. They should admit it. We have heard talk about how this legislation is an attack on the civil servants of this province.

We heard our Premier, our Treasurer and others in the debate acknowledge how we very proudly have a high standard of civil servants that take something different than the view the members in their debate this afternoon wanted to convey to us. We heard a veiled threat that somehow or other we were going to see a horrendous uprising of the civil servants of this province. Why attach that kind of suspicion and throw out that kind of nonsense? Those are not the people we work with every day and those members should know differently.

If they wish to they can use it in their debate down in the committee, but in the chamber I would have thought they would have brought the level up and acknowledged that this program is important and has the support of the people of Ontario, including the civil servants.

The House divided on Mr. Jones's motion for

third reading of Bill 179, which was agreed to on the following vote:

Ayes

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Birch, Boudria, Brandt, Breithaupt, Conway, Copps, Cousens, Cunningham, Cureatz, Davis, Dean, Drea, Eakins, Eaton, Edighoffer, Elgie, Elston, Epp, Eves, Fish, Gillies, Gregory, Grossman, Haggerty, Havrot, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones;

Kells, Kennedy, Kerr, Kerrio, Kolyn, Lane, Leluk, MacQuarrie, Mancini, McCaffrey, McCague, McGuigan, McKessock, McLean, McMurtry, McNeil, Miller, F. S., Miller, G. I., Mitchell, Newman, Nixon, Norton, O'Neil, Peterson, Piché, Pollock, Pope, Ramsay, Reed, J. A., Reid, T. P., Riddell, Robinson, Rotenberg;

Roy, Runciman, Ruston, Sargent, Scrivener, Sheppard, Shymko, Snow, Spensieri, Stephenson,

B. M., Sterling, Stevenson, K. R., Sweeney, Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Van Horne, Villeneuve, Watson, Welch, Wells, Williams, Wiseman, Worton, Wrye, Yakabuski.

Nays

Allen, Breagh, Bryden, Cassidy, Charlton, Cooke, Foulds, Grande, Johnston, R. F., Laughren, Lupusella, Mackenzie, Martel, McClellan, Philip, Rae, Renwick, Samis, Stokes, Swart, Wildman.

Ayes 96; nays 21.

[Interruption]

Mr. Speaker: Order. Would you clear the galleries, please? The TV camera in the gallery will please be removed immediately.

The House adjourned at 6:04 p.m.

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Ontario, *LEGISLATIVE ASSEMBLY*

No. 176

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Thursday, December 16, 1982

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Information Services Branch, Ministry of Government Services, 5th Floor, 880 Bay Street, Toronto, M7A 1N8. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Thursday, December 16, 1982

The House met at 2 p.m.

Prayers.

DISRUPTION OF HOUSE

Mr. Nixon: Mr. Speaker, on a point of order: Can you report to the House the disposition of the disruptions we experienced during last night's vote?

Mr. Speaker: I am not really sure what the honourable member is expecting or looking for. The information I have is that everything was handled quite well. There were no untoward incidents, as I understand it, and security seemed to be carried out quite well.

Mr. Nixon: I would suggest if it ever happens again that instead of ordering the galleries cleared, you might order the doors locked and force them to listen to some NDP speeches. That might be cruel and unusual, but it is just a suggestion.

Mr. Speaker: That sounds like a rather provocative suggestion.

Hon. Mr. Ashe: On that point of order, Mr. Speaker: I am sure they would appeal that kind of decision and it would be found to be unfair and too harsh justice.

ROYAL ASSENT

Mr. Speaker: I beg to inform the House that in the name of Her Majesty the Queen, the Honourable the Lieutenant Governor has been pleased to assent to certain bills in his chambers yesterday.

Assistant Clerk: The following are the titles of the bills to which His Honour has assented:

Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province;

Bill Pr28, An Act respecting the City of Chatham;

Bill Pr29, An Act respecting the City of Hamilton;

Bill Pr35, An Act to incorporate the City of Sarnia Foundation;

Bill Pr38, An Act respecting the Town of Strathroy;

Bill Pr40, An Act to revive Ceephil Investments Ltd;

Bill Pr41, An Act respecting the Township of Tiny;

Bill Pr43, An Act respecting the City of Burlington;

Bill Pr44, An Act respecting the Toronto Baptist Seminary;

Bill Pr45, An Act respecting Ontario Bible College and Ontario Theological Seminary;

Bill Pr46, An Act respecting the City of Orillia;

Bill Pr47, An Act respecting the Ukrainian Cultural Centre.

STATEMENTS BY THE MINISTRY

ONTARIO STATUS OF WOMEN COUNCIL

Hon. Mrs. Birch: Mr. Speaker, I am pleased to table the eighth annual report of the Ontario Status of Women Council. This report covers the period April 1, 1981, to March 31, 1982, at which time it was under the able chairmanship of Lynne Gordon. The status of women council now is under the direction of Sally Barnes of Kingston.

Lynne Gordon, who led the excellent work of the council for the past six years, is present in the gallery today. I ask all honourable members to join me in showing appreciation for the hard work of Lynne Gordon and of those members who make up the advisory council on the status of women.

REGINA V. VALENTE

Hon. Mr. McMurtry: Mr. Speaker, I have a very brief statement. I believe copies have been delivered, but perhaps I can proceed.

I have been informed by the crown attorney in Milton that today Judge Sharpe, in the case of Regina versus Valente on a sentence appeal by the crown on a charge of careless driving, declined to exercise jurisdiction to entertain the appeal.

He did so on the basis that it could not be said that he was independent by virtue of the fact that all provincial judges are dependent upon the provincial government, and more particularly the cabinet, on a number of financial matters, including salary.

I have been informed that he accordingly concluded that the accused's rights under sec-

tion 11(d) of the charter to a hearing by "an independent and impartial tribunal" had been infringed.

I have not yet had an opportunity to read the reasons for the judgement in question. But, in the light of the information I have been given, I can say that I will take immediate steps to have the matter reviewed by a higher court.

In the meantime, it is my opinion that his judgement is not binding on any other judge of the provincial court, and I expect that all such judicial officers will continue to hear cases until a judgement on this matter has been provided by a superior court. Indeed, I am informed that Judge Sharpe subsequently returned to court to deal with other cases before him on their merits, having earlier noted that this matter would be decided by a superior court.

Mr. Speaker: Oral questions. The leader of the Opposition.

Mr. Peterson: Mr. Speaker, I have not had time to review the Attorney General's (Mr. McMurtry) statement and I am just looking at it. I really do not want to ask a question on it, but—

Some hon. members: Then don't.

Mr. Peterson: Well, it seems extraordinary to me that the Attorney General's opinion would be binding on a judge when another judge's opinion is not. I am not sure of the authority by which the Attorney General makes the statement and now would issue instructions to judges to disregard this particular case.

Hon. Mr. McMurtry: Don't be silly.

Mr. Peterson: Well, that is what you are doing.

Hon. Mr. McMurtry: Is that a question?

Mr. Peterson: It is not a question, because—

Hon. Mr. McMurtry: On a point of personal privilege, Mr. Speaker: It is absurd and irresponsible to suggest that I am attempting to issue instructions to any judge. I am restating a principle that is well founded in law on a matter of substantial public importance. In my view, to suggest or attempt to infer that I am attempting to issue instructions is quite improper.

Mr. Peterson: On a point of personal privilege, Mr. Speaker, to respond to that point of personal privilege: I just saw this, and he is a much more talented lawyer than I and I will willing defer—

Mr. Nixon: No way.

Mr. Roy: The evidence does not bear that out.

Mr. Peterson: My privileges have been impugned, Mr. Speaker, and I just want to refer you to the wording of the statement—

Mr. Speaker: I think not. I have not had an opportunity to see the statement; I have no way of judging. I ask you to ask your first question. We are in oral question period.

2:10 p.m.

Mr. Roy: On a point of order, Mr. Speaker: Many of us who would like to discuss this matter—I am sure you would—would like to see the statement; unfortunately, we have not had an opportunity to see the statement. Once you and some of us have had a chance to review the statement, would you allow us to have a brief discussion? It is a very important principle. We are talking about the whole administration of justice, where provincial judges are refusing to take on provincial cases.

Mr. Speaker: Order, please. I suggest that the appropriate way is to ask questions of the minister in the normal manner.

ORAL QUESTIONS

MORTGAGE PRACTICES

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations. It relates to a series of transactions in Barrie, dealing with about 100 housing units. We have examined these transactions in detail, and I want to ask the minister about the pattern that has emerged there.

He will be aware, I am sure, that in December 1980 more than 100 housing units were purchased from Canada Mortgage and Housing Corp. by a numbered company, the president of which is Mr. William Player, for approximately \$25,000 to \$28,000 per unit. Shortly thereafter, mortgages were advanced by Greymac Mortgage Co. for \$23,000 per unit and by Seaway Trust for an additional \$12,000 per unit, bringing the total financing on those units up to \$35,000, even though they paid some \$25,000 for the buildings. The deal is more complicated than that, but that is the essence of the transactions.

Was the minister informed through the registrar, who has a responsibility to look into the conduct of loan and trust and mortgage corporations in this province, of the untoward nature of this transaction when units purchased for approximately \$25,000 apiece are mortgaged for approximately \$35,000 per unit? It looks on the face of it like a clear violation of the terms of

the Loan and Trust Corporations Act of this province.

This happened some two years ago. Did the minister have a report from the registrar about this set of transactions?

Hon. Mr. Elgie: Mr. Speaker, I think the Leader of the Opposition is once again pointing out a series of transactions involving the particular trust companies and some of the parties to the transaction that was brought to our attention a month or so ago related to the Cadillac Fairview sale and the subsequent resales.

He is well aware of the fact that at present an investigation is going on into those trust companies and in general into the conduct of their business. He can repeat day after day examples that he finds, but it does not alter the fact that this government already has an examination taking place of the business practices of those corporations.

Mr. Peterson: Given the circumstances surrounding these three units as part of the 100 or so units that were involved in the transactions, and given the fact that this took place some two years ago, long before the so-called Cadillac Fairview/Greymac deal that prompted the current Morrison inquiry, does this not raise some concern in the minister's mind? Is he telling me now that Mr. Morrison will be looking into all these past transactions? If that is the case, when is he expecting Mr. Morrison to bring forward his report to the minister, which I understand the minister is going to make public?

Hon. Mr. Elgie: I have indicated the terms of reference of the Morrison inquiry and that they will be looking into the general conduct of the affairs of the business. I have also made it very clear to Mr. Morrison and to this House that if any further steps are necessary they will be considered, and if they are appropriate they will be taken.

I have also indicated to the House very clearly that when Mr. Morrison files his report with me, if there are no elements in it related to confidentiality or other matters that prevent me from doing so, I will table it.

Mr. Rae: Mr. Speaker, I wonder whether the minister can answer the question directly that I posed to him during the debate on our no-confidence motion; that is, given the fact that the inquiry has so broadened now into the conduct of all the businesses of these named trust companies, can the minister give us a day, a month and a year in which he expects to receive the report of Mr. Morrison? What kind

of time frame are we talking about? When are we going to get the report?

Hon. Mr. Elgie: First of all, Mr. Speaker, let us dispel the notion that there has been any broadening of the inquiry. The terms of reference have not changed from the day I signed them.

Mr. Rae: I don't know what they are.

Hon. Mr. Elgie: But I have answered that before. It is nice to hear it again. I always relish the thought of hearing the honourable member's eloquent voice and his oratorical splurges now and then, but the fact of life is—

Mr. Rae: That's why I do it.

Hon. Mr. Elgie: It is true; we really do enjoy the member. Even last night there was a certain boyish charm about him that will entice some people into thinking that some day he may have a great role to play somewhere.

The fact of life is that the terms of reference have not been expanded. It is nice to give the impression that new powers are being granted every day, but the terms of reference remain the same.

I have not put a time limit on Mr. Morrison, nor have I indicated that he should report tomorrow or next week. He will report when he has completed his job.

Mr. Peterson: The minister's boyish charm is starting to pale a little bit, given the consequences of these kinds of actions.

I am asking him about a set of transactions that took place about two years ago. I am asking him about subsections 150(1) and 150(4) of the Loan and Trust Corporations Act, which demand that the registrar prepare a report for the ministry with respect to the quality of the assets of these loan and trust companies, and particularly about subsection 150(4), which empowers him to look at the value of real estate owned by and mortgaged by those companies.

I am asking him whether he heard from the registrar with respect to this transaction and/or other transactions that took place before the Cadillac Fairview/Greymac deal.

He cannot put this on to Mr. Morrison. Was the minister made aware some two years or a year ago, and did he take any action? That is the question. The question is not what Mr. Morrison is doing today.

Hon. Mr. Elgie: Obviously I am not aware of whether any report was filed two years ago or of the particular event that the member talks about, but I want to make it clear to him and to this House that there is no doubt the Morrison

inquiry does have the power to look at all the conduct of the business.

URBAN DEVELOPMENT OF BRAMPTON FARM LAND

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Agriculture and Food. It concerns the city of Brampton proposed official plan, which designates some 7,150 acres of prime farm land for urban development. I know the local member for Brampton (Mr. Davis) is not interested in this question, but I want to remind the minister about his own food land guidelines, which state:

"Official plans also require approval of the Ministry of Housing, and in the course of obtaining this approval the plan is reviewed by other ministries to ensure that it is consistent with provincial policies or objectives. The Ministry of Agriculture and Food is one of the review agencies and will ensure that local plans conform with food land guidelines."

Can the minister explain why his ministry has not commented on this designation? The plan was proposed in 1978, and he was asked for his comments in 1980 and 1982. There has been a total absence of response from his ministry with respect to the food land guidelines. Why is he not fulfilling his responsibilities to the food land guidelines?

Hon. Mr. Timbrell: Mr. Speaker, I am pleased to tell the Leader of the Opposition that whoever wrote that question for him is misinformed. The Ministry of Agriculture and Food has been involved in a variety of meetings that have been held over the years. What he refers to is a series of draft plans that have been discussed from time to time by the council of the city of Brampton. The actual plan, the final version, was only submitted in 1982.

We are working on reviewing the plan within the ministry at this time, and we will be submitting our final comments on the final official plan as proposed by the city of Brampton. We will be doing that within the food land guidelines, looking carefully at the projections of growth and need in that municipality.

I point out to the honourable member that not all of the 7,000 acres to which he referred is proposed for residential development; some of it is proposed for industrial development, which is also a component of that thriving municipality.

2:20 p.m.

Mr. Peterson: I am very much aware that 4,000 of the 7,100 acres involved are owned by

Ronto Development Corp., which has been represented by the law firm of Goodman and Goodman. The Sandringham Group has been represented by Mr. Webb of the law firm of Davis, Webb, Hollinrake in Brampton. The minister will be aware also that these lands were designated rural by the city of Brampton in resolutions in 1977 and 1978 and were only included in the urban boundary on the basis of a presentation by Mr. Webb acting for Ronto-Sandringham.

Throughout all of this, throughout all of the draft plans, the minister was asked for his ministry's response, but to date there has been no response over the past four years. Other ministers have responded. Why has he not?

Hon. Mr. Timbrell: We get involved when the plan finally has been submitted to the Minister of Municipal Affairs and Housing (Mr. Bennett), and we then contribute our portion of the many comments that are gathered to make a decision on it.

I can only say there has been any number of meetings held over the years at which officials of my ministry have been in attendance to give advice to the planning officials and the elected officials of the city of Brampton. This highlights the fact that any official plan, whatever one might think of it, ultimately has to be passed by the responsible local planning authority and the municipal council before it gets here. It highlights the fact that this is a joint exercise between the province and any municipality in developing an official plan or amendments to it for any municipality in the province.

Mr. Swart: Mr. Speaker, may I say that the minister knows very well his ministry has delayed replying on this matter?

Mr. Speaker: I would rather hear you ask a question.

Mr. Swart: Does the minister not realize his agricultural guidelines are extremely ambivalent? Recognizing that there is a new Planning Act, which probably will be passed by the end of this session and which provides that statements may be made by ministers relative to their portfolios, will he issue a statement and forward it to the Ontario Municipal Board relative to the Brampton hearing, saying that prime agricultural land shall be reserved for agricultural use and that this shall be the prior use of that land?

Hon. Mr. Timbrell: Mr. Speaker, the honourable member knows well from several hours of discussion on the subject at our estimates on Tuesday evening that the food land guidelines

already make it clear that the preservation of farm land has priority over alternative uses. They go on to say, as his own private member's bill from 1980 says, that alternative uses must be justified.

I want to point out to the member that, however long it takes us to make our comments, that plan has no basis in law whatsoever until and unless it is approved by the Minister of Municipal Affairs and Housing. We are being very careful in formulating our opinions so that we take into account all the arguments made by the municipality in formulating that official plan. We will then comment on it in accordance with the food land guidelines.

Mr. Riddell: Mr. Speaker, in accordance with the minister's response to my leader that his ministry only comments on the official plan, which came out in 1982, why did his ministry write to the regional municipality of Peel in January 1980 indicating that he had no concerns regarding the inclusion of that 4,000-acre parcel of land, and yet he wrote to the Ministry of Municipal Affairs and Housing in November 1981 inquiring as to the rationale for the inclusion of those lands?

Furthermore, the minister no doubt is aware that the city of Brampton planning staff's response to the Ministry of Municipal Affairs and Housing on the question of the destruction of prime agricultural land was: "The basic responsibility for preserving the agricultural industry and planning effectively for the agricultural resource lies at the provincial and federal levels. The Ontario government has not outlined an active participatory role for itself in researching and planning for agriculture, nor is there an overall provincial land use scheme for preserving agricultural land."

In view of these comments and in view of the minister's silence in this matter, will he admit that the food land guidelines are more or less meaningless in preserving farm land, and why does he not go firmly on record as firmly opposing this proposal, which would destroy 7,150 acres of prime agricultural land?

Hon. Mr. Timbrell: Mr. Speaker, the honourable member knows full well from some of the decisions of the Ontario Municipal Board that the food land guidelines have a significant status in local planning. I do not know who signed that, but obviously the individual is not aware of the food land guidelines and he needs to be brought up to date, because it has been acknowledged that the food land guidelines have been very helpful in local planning matters.

I want to point out that the member for Welland-Thorold (Mr. Swart) at least has put on the record in the form of his private member's bill what he would do, which is really no different from what we do. We have never seen a proposal from the member for Huron-Middlesex or from his party, and it would be very interesting to see specifically what he would do with respect to this matter.

Mr. Riddell: Are you asking me to run your ministry?

Hon. Mr. Timbrell: Good Lord, no. I want it run properly. I do not want it running off the rails.

With respect, the member has never put on the record what he would do. We know what the member for Welland-Thorold would do; we have seen his bill. When it comes right down to it, his bill would not do a darned thing different from what we are doing. Every single case is a matter of judgement.

The member may disagree with our judgement, but it still involves a co-operative relationship between municipalities and the province, among the ministries and the application of good judgement. It says right in the guidelines that the preservation of these lands for agricultural purposes has priority and that alternative uses, where considered, must be justified.

We sat in estimates all that time and the member still did not tell me how he would have looked after certain examples I gave. He evaded it completely. All he wants to do is take potshots. He does not ever want to say what he would do specifically.

[Later]

Mr. Riddell: On a point of privilege, Mr. Speaker: In responding to my question, I am sure the Minister of Agriculture and Food did not deliberately intend to mislead the House when he stated that I had never commented on the food land guidelines or sent proposals to him as to how they might be improved. On December 11, 1978, I definitely did submit proposals to the minister. I have a copy of them here and I will send them over. I hope the minister will acknowledge that he has made a mistake.

Mr. Speaker: I will accept that as clarification of the record.

Hon. Mr. Timbrell: Mr. Speaker, I am happy to apologize and to receive this ancient document. My only point is that in the time I have been minister I have certainly never before seen any proposals. I will be happy to review these.

RESIDENTIAL TENANCY COMMISSION GUIDELINES

Mr. Rae: Mr. Speaker, my question is to the Minister of Consumer and Commercial Relations and it concerns rent review. In considering the guidelines that would extend the three-year pass-through of financing costs to five years, we did a survey of four particular applications that were considered in the past year under the old guidelines and tried to apply the new guidelines to those increases. We came up with the following figures, which I will ask the minister to comment upon.

A 49.4 per cent increase at 304 Kingston Road would have been reduced to 37.9 per cent; a 63.5 per cent increase at 172 Queens Avenue would have been reduced to 55 per cent; a 23.3 per cent increase at 40 Earl Street—that is last year's hearing, not this year's hearing—would have been reduced to 18.3 per cent, and a 30.3 per cent increase at 34 Gulliver Road would have been reduced to 22.3 per cent.

I wonder whether the minister would care to comment on the fact that even with the five-year pass-through, tenants are still going to be paying 38 per cent, 55 per cent, 18.3 per cent and 22.3 per cent. Does he think that is fair?

Hon. Mr. Elgie: Mr. Speaker, I probably feel as we all do when we get our tax bill each year and when we have to renew our mortgages: we regret that costs go up.

I am not going to comment on figures that the honourable member has worked out on his own. I am simply going to tell him that the guidelines that have been imposed are the most stringent that I am aware of anywhere. They certainly serve the purpose they were intended for, and that is to make certain this province does not feel that speculation to be paid for out of the pockets of tenants is something we can tolerate.

Mr. Rae: The only difference in the policy is that the speculation is paid for over five years.

On the question of the ownership of rental properties: Now that Liechtenstein has been added to Mecca, Zurich, Mississauga and Elmvale in the trail of the elusive owners of the Cadillac Fairview properties, will the minister undertake to bring in an amendment to the Residential Tenancies Act today, via Bill 198, that would require quite simply that all applicants for rental increases declare who the beneficial owners are of the properties concerned?

2:30 p.m.

Hon. Mr. Elgie: First of all, let me correct the member. He said a moment ago that the guide-

lines really did nothing in terms of speculation. Speculation of the kind we have been talking about here is the flipping of properties. He knows very well, the message is out there very clearly and I believe we have seen some examples of it, that it is now looked upon as unprofitable to try to speculate and flip properties in the way we have been hearing about in the past, as a result of those guidelines and as a result of the proposed bill that is before the House. I cannot agree with the member that it has not had an effect.

As to who are the beneficial owners of those properties, let me just say that the commission this week, through one of its commissioners, made it very clear that where it is deemed necessary for it to understand who the beneficial owner was, it will take very strong positions, and in that case the member knows specifically it refused to accept any financing charges that had been applied for in relation to that transaction.

Secondly, although the member was at estimates for a short period of time, had he stayed there longer he would have heard the chairman of the Residential Tenancy Commission say they were in the process of preparing a document they would require to be filed with relation to beneficial ownership and that would be prior to the commencement of a hearing.

Mr. Peterson: Mr. Speaker, would the minister not agree with me that the security of tenure, indeed, many of the rights associated with tenancy, of the tenants in the Cadillac Fairview buildings are only as good as the financial security of the owners; not so much Maysfield, the property management group, but only as good as the financial security of the owners? Apart from the Morrison inquiry, which is looking at some of the equity financing, how is the minister going to assure himself and those tenants that the owners have the financial responsibility to live up to their obligations to the tenants in those buildings?

Hon. Mr. Elgie: Mr. Speaker, I am sure the member knows from the research he has done that at the moment those buildings have been leased to Kilderkin and I understand are being managed through a company called Maysfield Property Management, so that for practical purposes at the moment, the ownership for a period of 10 years is in the hands of Kilderkin and it is that company which will be managing the property.

Mr. Rae: If I can just comment briefly to the minister on his answer to the second question,

the concern we have is that if the Residential Tenancy Commission tries to make beneficial ownership a condition or attach it to their form, it is going to be taken to divisional court faster than you can turn around and the minister knows that full well. Why does he not stop that process and simply put it in the act so there is no doubt as far as landlords are concerned as to where they stand?

With respect to the other question on which we have been pressing the minister, I appreciate the minister's answer a short time ago when he said he felt there did have to be a change in the act to deal with the question of illegal rents. I would like to ask him why he feels he has to wait for Mr. Thom to report on that question? Why can he not move ahead quickly with respect to the rental registry and with respect to a fine for those people who charge illegal rents? Can he give us a firm date on introducing changes so that we can give some protection to people who are being hit by illegal rent?

Hon. Mr. Elgie: I like to think, and I believed the member understood, that one of the reasons I asked Mr. Thom to provide me with interim reports along the way was so that we could deal with problems in an appropriate way as this House was in session. I am sure the member can appreciate that many of us may have had many things they wished to introduce this session but, for some reason that I do not seem to understand, there seemed to be some delay in the process during the fall. We seem to have been tied up with a certain other matter that tended to make many of us a little doubtful about whether anything would get through this House.

Mr. Rae: If the minister has legislation in the form of an amendment to Bill 198, we can consider it this afternoon.

Mr. Speaker: Question, please.

Mr. Rae: He is hiding, Mr. Speaker.

HOUSING PROGRAMS

Mr. Rae: My second question is to the Minister of Municipal Affairs and Housing. Yesterday I had occasion to ask the Minister of Health (Mr. Grossman) about a program which the government announced with much fanfare and which still had not been funded. Today I would like to ask the Minister of Municipal Affairs and Housing about two programs under his ministry which were announced on May 14, 1982, with great fanfare.

The first program is InnoRent, a \$48-million program to boost construction of innovative

rental accommodation in areas with rental vacancy rates of two per cent or less. To date, we understand no funds have been secured under this program at all. The second program is Renthab, a \$10-million program to create new rental units in existing residential buildings. To date, we understand no funds have been secured under this program.

Can the minister tell us why there has been no funding for these programs? Does he not think he is party to a bit of a fraud by announcing on May 14 programs which still have not been funded?

Hon. Mr. Bennett: Mr. Speaker, I went through the estimates on this very subject just a week ago and indicated clearly that we were still having discussions with some municipalities, and the private sector as well, on both programs. I met this morning with a substantial number of people representing municipalities and the private sector from a construction, a financing and an insurance point of view on other ways to implement programs of a similar nature.

We still have a fair period of time before the fiscal year runs out for this government and I trust that before that time we will have these programs in place and activated.

Mr. Rae: Another delay; we do not know when; no dates; nothing attached to the program. There are 18,000 families on the waiting list for Ontario Housing, 7,000 seniors on the waiting list for Ontario Housing, 4,000 families on the waiting list for Cityhome.

Given that the federal Canada rental supply program, which he takes such pride in, has produced 58 units under construction in Toronto, and given that his own budget for the construction of nonprofit units to municipalities has been cut in this year's budget, 1982-83, from \$1.5 million to \$920,000, how can he possibly say this government is responding to those people who need affordable housing and housing that is geared to income? Does he not realize he is really abandoning these people?

Hon. Mr. Bennett: I made it very clear before that we are not abandoning these people at all. We have tried to implement programs within our capacity. I think if the member will go back and look at my comments—

Mr. McClellan: Keep trying, one of these days you will get it right.

Mr. Rotenberg: Which is more than you will ever do.

Mr. Speaker: Order.

Hon. Mr. Bennett: I try to take a degree of seriousness in the program because we do understand the requirements, very much so. I trust the member will appreciate, having come from Ottawa, that a great deal of our ability to react to the area comes from the assignment of units from the federal government.

One of the things I have constantly asked both the former and the current minister reporting for Canada Mortgage and Housing Corp. is to increase the allocation for municipal non-profits in Ontario.

Mr. Rae: You have cut your own funding.

Hon. Mr. Bennett: I want to suggest to the leader of the third party that while it is easy to say let the province take the whole responsibility, it is not within the economics of this province to go the game alone.

We have agreed for a long period of time that the responsibility in delivering the rent subsidy program in Ontario and in Canada has been shared between the provinces and the federal government. I can tell the member in a forceful and direct manner that I do not intend to recommend to the Treasurer and the people of this province that the entire cost of underwriting rent subsidy in Ontario be met through the provincial Treasury, not at all.

Mr. Roy: Mr. Speaker, it is obvious from the question asked by the leader of the third party that the minister's enthusiasm for nonprofit housing is questionable. Could the minister confirm that his lack of enthusiasm is due to the fact that often he does not believe the statistics indicating the low vacancy rate existing in a variety of cities?

Could the minister give us the evidence on which he relies? For instance, according to Statistics Canada, the city of Ottawa has the lowest vacancy rate in the whole country. Could he give us the evidence which leads him to say he does not believe those statistics? In those statistics, for instance, he does not include rental accommodation of six units or less. Could he give us the evidence on which he says the statistics are not accurate?

2:40 p.m.

Hon. Mr. Bennett: Mr. Speaker, I am not sure where the member has drawn his remarks from. It might be from a newspaper story that appeared in the city of Ottawa. I said very clearly that the low vacancy rate in Ottawa, Toronto and other places is bad. No one can deny that. It is below one per cent. I said to the press, and I repeat

here in the House, bad is bad. I understand that very clearly.

What I did say, when they were asking about how vacancy rates are determined in this province and in Canada, was that these are Canada Mortgage and Housing Corp. statistics, not this ministry's. We have accepted them, as the industry has accepted them, over the years. In explaining, I said that any apartment rental units in buildings of six or less are not included in that calculation.

Interjections.

Hon. Mr. Bennett: If the member for Ottawa East would listen for a moment—he is here for so few days he should just listen when he is here, please—I have said very clearly the vacancy rate is bad and we accept that fact. We have never denied the position of CMHC and its vacancy rate, whether it be in Ontario or other jurisdictions across Canada.

Mr. Roy: That is what you said last week.

Hon. Mr. Bennett: I did not.

Hon. Mr. Norton: Mr. Speaker, on a point of privilege: I have reason to believe that from where I am sitting I might be in some danger. It is obvious to me that the member for Ottawa East has in his possession a dangerous weapon. It is not only a matter of concern to me personally, as a member of this Legislature, but it ought to be of equal concern to those who are sitting even closer to him. I wonder if you could ask one of the staff in the House to investigate what is under his desk.

Mr. Roy: Mr. Speaker, I am very offended. That member obviously does not have the spirit of Christmas. The members will recall that last night Santa made me the repository of a very important gift for our caucus chairman, the member for Perth (Mr. Edighoffer). He gave me the gift, and I thought I would bring the gift over here and, on behalf of Santa, give it to my caucus chairman.

Mr. Rae: Mr. Speaker, I thought it was either a crowbar or else a spine transplant for some of the members of the Liberal Party, particularly the ones who were not here yesterday.

Mr. Kerrio: The leader of the third party got a calendar, and I think he should have been given a sundial because time does not mean a thing to him.

Mr. Rae: I know when the time of the Liberal Party is up.

I would like to address a final supplementary, if I might, to the Minister of Municipal Affairs

and Housing. The minister is attempting, by a program of subterfuge, clouding, flim-flam and bamboozling, to avoid some very simple and basic facts.

First, Ontario's own contribution to co-op and nonprofit housing has been cut by \$600,000 this year. That is Ontario's cut. That is not CMHC's cut. Second, the provincial contribution to Cityhome in the city of Toronto has been cut from 17.4 per cent to 14.6 per cent. The InnoRent program and the Renthap program do not exist except in the imagination of the minister, and the Ontario rental construction loan program has produced 10 units in Toronto and three units in Hamilton, 53 units in Kitchener and 31 units in Sudbury, geared to income.

I would like to ask the minister, given these facts, and given the fact that even the renter-buy program, of which he is so proud, has fallen short of its own projections and the projections the Treasurer (Mr. F. S. Miller) announced when he introduced the program, how can he possibly expect us to take him seriously when he says this government is tackling the housing problem?

Hon. Mr. Bennett: I suppose we can go over the same facts and figures time and time again, because they really do not appear to get through to the leader of the third party. He can knock the renter-buy program all he wants. That is his business. I tell him there are 11,157 people as of today who have taken part in the renter-buy program sponsored by the government of this province and the federal government through its \$3,000 incentive grant. That is 11,157 families at this point who have been living in rental accommodation and will now move into the ownership market. That is in direct relationship to the moneys the Treasurer of this province has put up.

I went over this a dozen times in the House and again in estimates just a week or two ago. I realize very well there were only 41 units built in the downtown Toronto area. It was an incentive to the private sector to participate in the construction of rental accommodation. It was not this government that was going into the construction program at all. They found the economics were not viable in the downtown area. But if one looks over Scarborough, Etobicoke, North York and York, there are a substantial number of units under construction as a result of—the leader of the third party should not shake his head, it might fall off.

A very substantial number are under construction in all the boroughs of Metropolitan

Toronto. The rental construction loan program has worked very effectively in most jurisdictions across Ontario. I make no apology for the fact that I could not encourage the private sector to invest further in the downtown Metropolitan Toronto area.

MORTGAGE PRACTICES

Hon. Mr. Elgie: Early last week, the member for York South (Mr. Rae) asked me a question with regard to the paying off of a mortgage by a family in Sudbury called the Polankas.

A review of that transaction was commenced a week ago Tuesday and discussions are ongoing at the present time with senior officers of the bank. Following that, if they have not already commenced, discussions with the Polankas and their lawyer will commence. Documentation is being forwarded to us by the bank with respect to that transaction and it may well be that further discussions will ensue as a result of these steps.

I just want to report to the member that these steps are under way and I will report to him further as soon as I have a complete report. Staff have indicated to me today they hope to have a final position to present to the House before it rises.

Mr. Martel: Mr. Speaker, further to the banks in Sudbury, is the minister aware they are refusing to approve mortgages for laid-off workers in Sudbury unless they can provide proof they are going to be recalled in January? Most banks are not even taking applications for Inco and Falconbridge workers.

In particular, will the minister look into the case of a 12-year employee at Falconbridge whose mortgage with Guaranty Trust comes due on January 1? They will only renew at 14.5 per cent for three years closed, a full 1.5 to two per cent more than the going rate. Unless this employee gets a guarantee in writing from Falconbridge to the trust company that he is going to be back at work, they will not renew the mortgage and neither will the banks.

Mr. Speaker: That is not supplementary to the answer.

Mr. Martel: Yes, it is.

Mr. Speaker: I am not going to argue with the honourable member.

Mr. Martel: On a point of order—

Mr. Speaker: There is nothing out of order.

Mr. Martel: Mr. Speaker, on a point of order: The matter that was being raised by my col-

league last week dealt with bank mortgages in Sudbury.

Mr. Speaker: It dealt with a specific case, for which the minister supplied the information.

Mr. Martel: Mr. Speaker, it did not. It rested with the policy of the banks in Sudbury and I am asking that this be investigated. I have been dealing with a specific example—

Mr. Speaker: The member is abusing question period.

Mr. Martel: You are so consistent.

Mr. Mancini: Mr. Speaker, I think you should treat the member for Sudbury East with a little greater care. Use delicate gloves. We certainly would not want to hurt his feelings in any way.

2:50 p.m.

JOB-FINDING AGENCIES

Mr. Mancini: I have a question of the same minister, Mr. Speaker. Is he aware that in these very difficult economic times there are companies which are taking advantage of the unemployed in this province by cornering the market on the advertising of job opportunities and charging individuals to have a look at a list of jobs available without any guarantee that these desperate individuals will be able to secure those advertised jobs?

If he is, will he inform the House whether he is prepared to take the necessary action to prevent such companies from preying on the unemployed workers in our society? I would like to point out to the minister that these companies, particularly Job Mart and Aim, have operated in the Toronto, St. Catharines and Hamilton areas.

Hon. Mr. Elgie: Mr. Speaker, clearly I am not aware of the specific cases the honourable member has referred to. I am aware, as all members are, of agencies and companies that endeavour to assist people in finding employment, either on behalf of an employer who is terminating an employee or on behalf of an employee himself who seeks assistance. To date, I have never heard of any unfair practices, but if the member has information indicating unfair practices going on in that industry, I think he should forward it to me and we will certainly have it looked into.

Mr. Mancini: Mr. Speaker, I am a little disappointed with the minister's answer. Surely he should be a little—

Mr. Speaker: Supplementary.

Mr. Mancini: —more sympathetic to the

people who are unable to apply for jobs without paying \$50.

Mr. Martel: I'll just go home early tonight.

Mr. Mancini: Mr. Speaker, will you keep the member for Sudbury East subdued for just two minutes?

I would like to inform the minister that today there is a new and even more reprehensible aspect to this situation. Today one of these companies, Aim, went bankrupt and left a large number of people in the Hamilton and St. Catharines areas out in the cold, having already paid the \$50 to see the job list.

Will the minister assure the House that he will investigate the financial collapse of this particular company, Aim, which apparently ran a similar operation in the Buffalo area that folded in July? These operations are being run by Charles and Catharine Barrone.

Is the minister going to allow this type of practice to continue in the province? Is he going to allow people to force the unemployed to pay to look at a list of job opportunities? For example, in the St. Catharines area there is an advertisement for an automotive job—

Mr. Speaker: Order, please. The member has already placed his question.

Hon. Mr. Elgie: If the member has any information about unfair business practices, particularly in respect to the company he has indicated, I wish he would forward the information and certainly we will be glad to look at it.

STOUFFVILLE DUMP

Mr. Charlton: Mr. Speaker, I have a question for the Minister of the Environment in reference to the chemical study of the Stouffville area that the ministry released a couple of weeks back. The study clearly indicates the presence of trace quantities of some chemicals that could have come from no other source than the York Sanitation landfill number 4, chemicals that I should point out are very typical of those found in the very polluted Detroit River.

Is he prepared as a result of this study to do extensive testing in wells to the west, north and east of the landfill site? Is he prepared to close wells where hazards are indicated in the study, specifically hazards related to naphthylamine, which was found in the Coghlan and Ballantrae wells? And is he prepared to provide alternative water supplies for anybody who is affected by wells closing?

Hon. Mr. Norton: Mr. Speaker, I think the honourable member is misinterpreting some of

the information in that report. First, it is true that the chemical study applied primarily—in fact, I believe exclusively—to onsite wells in the landfill site and never did try to determine what chemicals may be present there.

At the same time, there was another study going on that related to private wells. That is not what is referred to in the chemical study. There are two reports. The member presumably has both of them. In fact, there were three if we include the air study. Let us not get the two studies mixed up in our minds.

The other thing he should bear in mind is that the well at the Ballantrae Plaza and the Coghlan well were both selected by these scientists. It was agreed by these scientists involved that these were wells that were not in any way related to the landfill site. They were chosen as background wells for comparative purposes with the wells that were potentially affected by the landfill site.

Interestingly enough, it was in the background wells which are removed from the site, which it was agreed are not connected by way of aquifer, that very minute trace levels of naphthylamine were detected.

Subsequent tests were done very shortly thereafter. No levels of naphthylamine were detected and subsequent to that even further tests have been done on those same wells and no naphthylamine has been detected. So there has been extensive follow-up work on that.

I think it is also important to bear in mind that for any trace contaminants that have been found in the wells there has been no connection at all with what was found in the landfill site, so there would appear to be no connection whatsoever.

I would also point out that in the same background wells, there were subparts per billion of benzopyrene and benzofluorentene, which are associated with combustion, for example. It was believed by the scientists that it probably resulted from the fact that someone in the vicinity was smoking at the time the first samples were being taken.

I would point out that when we have taken samples in the homes of individuals we have found contaminants in those samples that were not in their wells. In fact, it was because people in the household smoked.

Mr. Speaker: I think the minister has answered that question very well, thank you.

Mr. Charlton: I should start out by saying that we did not confuse the studies. We took the time to talk to the minister's staff about them. We

took the time to consult several outside experts as well as some from the occupational health and safety branch of the Ministry of Labour.

Mr. Speaker: Question please.

Mr. Charlton: Naphthylamine, whether it came from the landfill or not—and I will not get into an argument with the minister about that—is a suspected carcinogen. The Ministry of Labour has refused to set any standards for it, but only recommends no contact whatsoever for humans.

When it was found in the two wells, why were they not closed for the safety of the people using them? This would apply especially to the Ballantrae well which is feeding a restaurant where a fairly large number of the people in the community could be affected.

Hon. Mr. Norton: I do not know who the member has been talking to. I do not deny he has probably been talking to a lot of people, but I think he has to understand first of all that when we talk about this chemical we are talking about something which is present in dye that is used in clothing. The reason retesting was done immediately was to try to determine whether there was something present in the water or whether it got in by virtue of some contamination of the sample from someone's clothing in the process.

Retesting was done almost immediately and a second retesting has been done since. We can find no evidence in the water since then of any naphthylamine. So it is possible it was a contaminant from a glove that somebody was wearing or any number of other things. The member should not suggest we have not responded to that; we have. In fact, including the initial tests, there have been three series of tests done on those wells. Only in the first was there a minute trace of naphthylamine. It did not appear—we could not find it—in subsequent tests.

3 p.m.

Mr. Kerrio: Mr. Speaker, is it not generally accepted that building on that land site adds to the hydrostatic pressure developed underground? Would it not force the water farther and farther afield so that it might contaminate more wells than are contaminated at present? Does it not also raise the question as to whether the ministry should continue monitoring that whole area to make certain that is not happening? Is there not the danger of sending those contaminants farther afield if weight is added on that site?

Hon. Mr. Norton: Mr. Speaker, we are continuing to monitor, as I am sure the honourable member knows. A hydrologist would be required

to tell the member what would happen hydrostatically by increasing the—

Interjection.

Hon. Mr. Norton: Yes; except the aquifer does not get squeezed out like that. There is some distance between the bottom of this and the aquifer.

It also is important to bear in mind that if such a site is not appropriately filled and contoured at the time of its closure, more serious problems are encountered with the ponding of water. It filters down through the waste and could get into the aquifer. I would suggest that is a much worse prospect than what the member is suggesting.

FRENCH-LANGUAGE SCHOOLS

Mr. Boudria: Mr. Speaker, with the sudden disappearance of the Minister of Education (Miss Stephenson), maybe I could ask a question of the Minister of Intergovernmental Affairs.

Can the minister confirm that officials of the Ministry of Education contacted francophone education groups on Monday of this week to inform them of a change in the minister's announcement to her response on the secondary education review project? Her original announcement was that five English-language subjects and one subject in French would be compulsory for francophone students. It is now alleged she has changed that to three in English and three in French.

If that is so—and officials of the ministry have informed us of that—does the minister not recognize that nothing less than a majority of French-language courses for francophone students is the minimum that would be acceptable? With anything less than a majority of courses in that language, in my view and I hope in the minister's, it is not a French school.

Hon. Mr. Wells: Mr. Speaker, I really think my friend should ask this question of the Minister of Education.

I am well aware of what he is talking about. I believe the change he referred to has been suggested to the French-language groups in this province.

It is obvious that on the SERP recommendations there is a degree of back-and-forth bargaining going on. I think he will have to ask the minister and put forward his position. I understand what the position is. I have been talking with some of the French groups too, and I know what their feelings are about it.

Mr. Roy: Mr. Speaker, certainly the question was properly asked to the minister who is supposed to be defending French-language services in Ontario.

Mr. R. F. Johnston: Here she comes.

Mr. Roy: Now that we are getting the appearance of the—I will not use any adjectives—the Minister of Education, maybe she would want me to refer the question to her.

Mr. Speaker: Is that your question?

Mr. Roy: Pardon me?

Mr. Boudria: She just came in.

Mr. Speaker: Proceed, please.

Mr. Roy: Mr. Speaker, the member for Kingston and the Islands (Mr. Norton) requires some control, but not this member.

Mr. Speaker: Proceed, please.

Mr. Roy: I would like to ask the minister if he does not feel there is something of a contradiction in saying they are setting up French-language schools when in fact they ask for an equal number of credits in French and English? Is that not a contradiction?

What is the thought process of the Minister of Education? First, she makes an announcement that the credit distribution will be five and one and now it is three and three. Does the minister not understand this is a very important question for the Franco-Ontarian community? She is not playing poker or dice here; she is not flipping a coin. That is a very important situation.

Does the Franco-Ontarian community have to get into a fight again to determine whether a bilingual school or a French school is best for them? Do we have to go through that all over again?

Hon. Mr. Wells: All I would say is that in my capacity as the minister responsible for French-language services I always have fought and always will fight for total equality for the French-language school system in this province. The Minister of Education agrees with that principle, and I think he should ask her about the details concerning courses.

EMPLOYEE HEALTH AND SAFETY

Mr. Martel: Mr. Speaker, I have a question for the Minister of Labour. The minister is aware that rodmen in Ontario are organized under the iron workers—

Interjections.

Mr. Speaker: Order.

Mr. Martel: If the minister would refrain.

The minister is aware that rodmen in Ontario are organized under the International Association of Bridge, Structural and Ornamental Iron Workers and have suffered the effects of acute injuries. Some 24 per cent of all injuries to the back occur with iron workers. A survey on the chronic effects of degenerative back disease indicates that 70 per cent of the 40 per cent who answered have acute back problems that are not compensable.

Is the minister aware the problem seems to be that they climb walls and hang from vertical walls on belts, which hold them there? Is he aware they must carry rods that are 30 or 40 feet long and which create a bounce that is detrimental to the back, and that they spend all day over rods tying them?

Is the minister further aware that his ministry in 1978 started a study at the special studies branch under Franz Schneider to do an initial investigation of the problem and design a questionnaire for the workers involved? Is he further aware that 5,000 men responded to the questionnaire, indicating a high number of chronic back problems?

Can the minister tell us now why a Dr. Wright, who replaced Franz Schneider, has indicated this study will not be completed and that the statistics gathered to this point are no longer valid?

Hon. Mr. Ramsay: Mr. Speaker, I believe I know a little bit about iron workers in that I worked for several years with a company that made use of iron workers.

I am aware there was a study, but I was not aware that Dr. Wright has made any comments whatsoever with respect to it. That is news to me. I will be glad to look into it.

Mr. Martel: Is the minister aware there was a work stoppage at Ontario Hydro and that his inspector on June 2, 1982, wrote the following order: "At 11:45 a.m. I wrote an order to Gilbert Steel to provide work platforms," and this came under section 76 of the regulations.

Is the minister further aware that at precisely this moment, 40 workers, all of them rodmen, are working on the two towers of the Sun Life building on University Avenue and are hanging from the walls? Will the minister ensure that section 76 under the regulations is applied province-wide so that workers have something to stand on?

Further, could the minister indicate—I think he has, but just for clarification—that the first study I indicated would be completed and that we would get an assessment? It could lead to

these workers getting benefits through the Workmen's Compensation Board, if there is a relationship.

Hon. Mr. Ramsay: Mr. Speaker, I will be pleased to look into and follow up on all of the matters the honourable member has brought forward today.

3:10 p.m.

REPORT

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Mr. Eves from the standing committee on regulations and other statutory instruments reported the following resolution:

That supply in the following amounts and to defray the expenses of the Ministry of Transportation and Communications be granted to Her Majesty for the fiscal year ending March 31, 1983:

Ministry administration program, \$34,570,600; policy planning and research program, \$10,029,300; safety and regulations program, \$61,036,800; provincial highways program, \$516,418,100; provincial transit program, \$99,416,000; provincial transportation program, \$7,703,000; municipal roads program, \$482,973,000; municipal transit program, \$199,229,000; communications program, \$2,492,700.

INTRODUCTION OF BILLS

HUMAN TISSUE GIFT AMENDMENT ACT

Mr. Van Horne moved, seconded by Mr. Sweeney, first reading of Bill 208, An Act to amend the Human Tissue Gift Act.

Motion agreed to.

Mr. Van Horne: Mr. Speaker, this bill is intended to facilitate the obtaining of human organs for transplant purposes. An automated central register of consents and objections to the use of organs for transplant purposes after death is contemplated to allow physicians to ascertain deceased persons' wishes more readily.

Where no objection by a deceased person has been registered and there is no reason to believe the deceased had, or that the deceased's next of kin have, any objections, removal of organs for transplant is authorized without the specific consent that otherwise would be required.

Section 29 of the Coroners Act deals in a similar fashion with the removal of human

pituitary glands used in the treatment of persons suffering from growth hormone deficiencies.

Finally, I would point out that although the mechanics of obtaining a person's consent are outside this proposed legislation, I feel the government could, for example, have all applicants for drivers' licences in the future indicate that they consent, do not consent or choose to make no comment in the setting up of such a register.

INFLATION RESTRAINT AMENDMENT ACT

Mr. Wrye moved, seconded by Mr. Mancini, first reading of Bill 209, An Act to amend the Inflation Restraint Act.

Motion agreed to.

Mr. Wrye: This bill will bring to the floor of this assembly the many changes we had proposed during consideration of Bill 179. These changes, which honourable members I am sure are very familiar with by now, will ease some of the wage restraint measures now enacted and will provide new strength in restraint of prices in Ontario.

AFFIRMATIVE ACTION ACT

Ms. Bryden moved, seconded by Mr. MacKenzie, first reading of Bill 210, An Act respecting Affirmative Action.

Motion agreed to.

Ms. Bryden: This bill is designed to end the economic inequality of women in the work place through mandatory affirmative action. The bill will require all employers with more than 20 employees to establish joint committees of workers and managers to prepare affirmative action programs tailored to their work place. When approved by a government affirmative action director, such programs will be binding on the employer. Their implementation will be monitored by an affirmative action office in the Ministry of Labour.

The act also ensures there will be full participation by employees in the development and monitoring of the affirmative action programs. In order to help women move up the ladder in their present occupations or enter nontraditional occupations, the bill calls for the government to develop a comprehensive skills training and apprenticeship program designed to increase the number of women in each occupation and occupational category to at least 50 per cent. In addition, the bill proposes that the provision of support services for women, such as child care,

could be part of an affirmative action program to make possible the full participation of women in the work force.

ORDERS OF THE DAY

COUNTY OF HALIBURTON ACT

Mr. Rotenberg moved, on behalf of Hon. Mr. Bennett, second reading of Bill 191, An Act to provide for the continuation of the Provisional County of Haliburton as the County of Haliburton.

Mr. Rotenberg: This bill will repeal the present Haliburton Act and make Haliburton a full county for municipal purposes. That has been requested by the council of the provisional county of Haliburton.

Haliburton has always been called a provisional county. It is the last provisional county in Ontario because it forms part of the county of Victoria for judicial purposes. Since the administration of justice is now a provincial responsibility and since Haliburton now has the same municipal responsibilities as any other county, it seems appropriate and desirable to give it full county status.

The proposed legislation also makes complementary amendments to the Territorial Division Act to provide that Haliburton and Victoria will continue to be united for judicial purposes and to recognize the new township of Sherborne, McClintock, Livingstone, Lawrence and Nightingale.

This bill represents an important step forward for Haliburton. I wish to extend my sincere thanks and the thanks of our ministry to the members and staff of all the councils in Haliburton, some of whom are with us here today, for their assistance and co-operation in the development of this bill.

Mr. Speaker, I commend this bill to the House.

Mr. Eakins: As the member of the Legislature representing the counties of Victoria and Haliburton, I am pleased and indeed honoured to express my full support and the support of my colleagues for Bill 191, An Act to provide for the continuation of the Provisional County of Haliburton as the County of Haliburton.

At the outset, I want to pay tribute to the people of Haliburton county and in particular to the wardens, past and present; the elected reeves and deputy reeves; the municipal councillors; the county clerk, Mrs. Wynn Lahay; the county engineer, Mr. Bill Obee, and other staff for their many months of work in preparing background information so that all might be

well informed in making application to the Legislature for this bill.

3:20 p.m.

As mentioned, this legislation changes the status of Haliburton from a provisional county to a full county and repeals the present Haliburton Act which was originally enacted in 1874.

Over the years, many people have asked what was meant by the term "provisional county." In 1874, enthusiastic residents of the area wanted to have the railway extended into Haliburton to open up the country. There was no authority to float a debenture unless under county status. There was insufficient population to meet the usual criteria. As a result, the Haliburton Act was passed whereby the provisional county of Haliburton was established and affiliated with Victoria county for judicial purposes.

This is an important day in the history of Haliburton county. Perhaps we might call it unique for, after almost 109 years, this county, being the only one with a provisional title, will assume in name the status of county of Haliburton. To mark this event today, it is appropriate and much appreciated to have seated in the Speaker's gallery officials representing the great county of Haliburton.

I would like to introduce them and have them stand for the record of the House. I want to recognize the immediate past warden, now reeve of Lutterworth township, Mr. Ron Gambell; Mrs. Jane Franklin, deputy reeve of Glamorgan township; Mrs. Wynn Lahay, county clerk-treasurer, and Mr. Bill Obee, the county engineer.

Today we are debating the second reading of the County of Haliburton Act, known as Bill 191. It is interesting to note that, as reported in the Ontario newspaper Hansard, second reading took place in the Legislature to establish Haliburton as a provisional county on that approximate date of March 18, 1874. It is of further interest that the Haliburton motion was put at that time by the Honourable Oliver Mowat, later Sir Oliver Mowat, who was at that time the Premier and Attorney General.

Mr. Nixon: He was a Liberal, was he not?

Mr. Eakins: He was a Liberal Premier. It reads: "Provisional county: Hon. Mr. Mowat moved the second reading of the bill to incorporate the municipality of Haliburton and to provide for its becoming a provisional county. He explained that the reason for erecting the municipality into a separate district was its distance from a county town and the conse-

quent difficulty in administering justice. The bill was read a second time."

Premier Mowat's interest in Haliburton county and its future development did not end with his legislative duty. On August 5, 1874, he attended the turning of the first sod at Lindsay to indicate officially that the building of the railway to Haliburton was under way.

It is also of interest to note today that the Toronto Globe of May 28, 1874, reported, "The vote to establish a provisional county and decide to which municipality they would be united for judicial purposes resulted in 396 people voting for a new county. There were four opposed and a unanimous vote was given to be united to Victoria for judicial purposes."

Today, the parliamentary assistant has outlined what this new act means in terms of change. The discussions leading to this day have been ongoing for some time. The initial credit for this move must go to Reeve Fearrey of Dysart et al. and a former warden. I want to read some of the background briefly.

Soon after Reeve Fearrey became warden of the provisional county of Haliburton in 1981, he promoted the proposal that the provisional status should be examined. In July a resolution was passed authorizing the warden and a committee of three, in conjunction with the ministry, to institute a study and then report to the county council. After a preliminary review, with staff from the ministry, of the implications of being a provisional county, the facts were reported to the 10 municipalities for discussion.

The challenge was continued under the 1982 wardenship of N. Ronald Gambell, reeve of Lutterworth township, and a formal resolution to county council at the February 17, 1982, meeting confirmed the desire to proceed with the removal of "provisional," subject to full information on all matters concerned.

The Minister of Municipal Affairs and Housing (Mr. Bennett) replied on March 5 that the ministry staff would undertake a study of all the consequences. Mr. Ted Foster, the senior policy adviser in the Ministry of Municipal Affairs and Housing, was assigned to assist Haliburton county and he is to be congratulated on his thorough investigations.

On August 5, county council passed a resolution at a special meeting petitioning the Minister of Municipal Affairs and Housing to introduce a County of Haliburton Act erecting Haliburton to full county status. One of the changes involved during the proposed change was the erection of the improvement district of

Bicroft to township status, effective December 1, 1982. At the inaugural meeting of county council this past Tuesday evening, December 14, the township of Bicroft's first reeve, William G. Howe, was elected warden of the county of Haliburton for the year 1983.

I want briefly to read into the record those municipal leaders who were involved in the decision-making leading to this stage: Murray G. Fearrey, 1981 warden; N. Ronald Gambell, 1982 warden; Anson, Hindon and Minden Reeve Lloyd Walker and Deputy Reeve Douglas Pritchard; improvement district of Bicroft Chairman William G. Howe; Cardiff Reeve Malcolm McGillivray and Deputy Reeve Mack Peters; Dysart et al. Deputy Reeve Harold Bannon; Glamorgan Reeve Kenneth Maguire and Deputy Reeve Robert McCausland; Lutterworth Deputy Reeve Major Glynne Lewis; Monmouth Reeve Keith Tallman and Deputy Reeve Carman Coumbs; Sherborne, McClintock and Livingstone Reeve Fred Baum and Deputy Reeve Dalton MacDonald; Snowdon Reeve Robert J. Vick and Deputy Reeve John Francis; Stanhope Reeve James Harrison and Deputy Reeve Elgin Stouffer.

The new members on the county council who are involved in this decision are: Anson, Hindon and Minden Reeve Lyle McKnight and Deputy Reeve Edward Pergolas; Cardiff Deputy Reeve Ross Duncan; Dysart et al. Deputy Reeve Gary McKnight; Glamorgan Deputy Reeve Jane Franklin; Monmouth Deputy Reeve Harry Clark; Sherborne, McClintock and Livingstone Deputy Reeve Donald Shortreed; Snowdon Deputy Reeve Dwain Wruth, and Stanhope Reeve Harry Davis. The county clerk is Wynn Lahay, and the county engineer is Bill Obee.

I want to express my appreciation to the minister and to the parliamentary assistant for their encouragement and support. Members of county council would want me to express in this House their appreciation for the excellent liaison shown by Ted Foster of the Ministry of Municipal Affairs and Housing. He is an excellent public servant and deserves much credit for the orderly transition. Finally, I thank the people of Haliburton for their spirit and determination that has made this county a great part of Ontario of which we are justly proud.

My colleagues and I wholeheartedly support this bill.

Mr. Breagh: Mr. Speaker, on behalf of the New Democratic Party, we are pleased to support Bill 191 and to welcome the new county of Haliburton into existence.

Mr. Rotenberg: Mr. Speaker, I thank the honourable members for their support, and I thank the member for Victoria-Haliburton (Mr. Eakins) for his kind words about the ministry and the ministry staff. We were most pleased to co-operate in this venture which has come to a successful conclusion today.

Motion agreed to.

Ordered for third reading.

3:30 p.m.

WORKMEN'S COMPENSATION AMENDMENT ACT

Hon. Mr. Ramsay moved second reading of Bill 205, An Act to amend the Workmen's Compensation Act.

Hon. Mr. Ramsay: Mr. Speaker, on November 16, 1982, I reaffirmed an earlier commitment to this House that I would undertake an interim increase in workmen's compensation benefits before the end of the year in the event that no decision or recommendation from the standing committee on resources development was forthcoming.

Originally I had hoped to have the benefit of the committee's deliberations on the Weiler proposals for reform of the compensation payment system before another round of increases was called for. Although this strategy was not an unreasonable one in view of the kind of fundamental changes urged by Professor Weiler, the unfortunate delay until the new year in the committee's hearings has made it imperative that consideration of a round of interim increases be delayed no longer.

The bill I introduced in the House last Friday meets my earlier commitment. It contains two main elements: (1) a standard ad hoc amendment of nine per cent retroactive to July 1, 1982, and (2) a change in the names of the board and of the act to the Workers' Compensation Board and the Workers' Compensation Act.

Before I go on to outline what the amendment means in terms of the revised levels of the various pensions and allowances, I want to take a few moments to discuss some of the considerations that had to be weighed in reaching the decision to implement a nine per cent increase at this time.

I am well aware from a number of statements made in this House in the past, and from a series of questions directed at me since the summer, that some members will be dissatisfied with the size of the proposed increase despite the fact that it is retroactive for almost six months. I am

also aware that there appears to be a misunderstanding in some quarters regarding the extent to which past benefit adjustments have kept pace with the rate of inflation.

In the course of discussing the rationale for the 1982 benefit increases, I will be happy to attempt to set the record straight on this matter in addition. I have noted before that past announcements of benefit increases have followed no discernible pattern as regards timing. For example, the last change was announced in June 1981 and the one before that in December 1979. Nevertheless, it has become standard practice over the past few years to relate increases to the first day of July in each year with retroactive application of adjustments as necessary to achieve this objective. In effect, this has created a series of annual revisions in benefit levels. The announced increase for 1982 will be the eighth in this series.

The annual percentage adjustment in benefit levels during this time has been closely related to increases in the consumer price index in the last full calendar year prior to the amendment, although across-the-board percentage improvements and benefits usually have been rounded to the nearest whole number. As a result of this systematic approach to adjustments in workers' compensation payments, benefit levels have tended to increase roughly parallel to the rate of inflation since 1975.

The announced benefit adjustment of nine per cent for 1982 falls a little short of providing full protection against inflation for workers' compensation recipients, although it is true that the rate of increase in the consumer price index has moderated in each of the last five months. The year-over-year increase in the index from July 1981 to July 1982, the period between successive increases in workers' compensation benefits, was 10.8 per cent. The year-over-year increase for the most recent month available, October, was only 10 per cent.

I expect the members opposite will argue that the 1982 benefit increase should have been at least 10.8 per cent to reflect the July-to-July inflation rate. I admit that in arriving at its decision, the government on this occasion was required to attempt to strike a balance among a series of conflicting objectives.

On the one hand, there was a genuine desire to seek to protect the purchasing power of benefit levels to the closest degree possible. On the other hand, the government has a continuing obligation to adhere to the spirit of its restraint program, particularly since changes in

workers' compensation benefits ultimately will have cost implications virtually throughout the economy.

While a nine per cent adjustment in benefits will not fully protect recipients against current inflation rates, I believe it represents a responsible attempt by the government to discharge its responsibilities in this area at a time when, quite frankly, economic conditions are not supportive of significant advances in the real value of benefits.

In my view, the proposed increase for 1982 reflects present economic circumstances. I do not believe it is out of line with recent wage increases in either the organized sector or the unorganized sector of the economy since both generally have been moderating and parallel with the rate of inflation in recent months.

I might add that workers' compensation benefit adjustments have compared quite favourably with general wage movements over a longer period of time, slightly outpacing increases in the provincial industrial composite over the last five years.

The application of a standard, across-the-board increase of nine per cent in workers' compensation pensions and allowances produces the following new benefit levels.

The ceiling on covered earnings rises to \$24,200 per year from \$22,200. The minimum permanent total disability pension rises to \$748 per month from \$686. The minimum temporary total disability allowance rises to \$170 per week from \$156. The dependent spouse's pension rises to \$537 per month from \$492. The dependent children's pension rises to \$149 per month from \$136. The orphan dependent child's pension rises to \$167 from \$153.

The annual allowance for the repair and replacement of clothing worn or damaged by a lower limb or back brace rises to \$316 from \$290 and by an upper limb to \$158 from \$145. Both the burial allowance and the lump sum payment to a widow or widower rise to \$1,300 from \$1,200.

As I have indicated, I believe the increases I have announced are both fair and reasonable in present economic circumstances. I do not believe it is either sensible or indeed possible to approach such an important question as a revision in workers' compensation benefits in isolation from the course of broader economic events.

In the meantime, I look forward to the report and recommendations of the standing committee on resources development early in the new year and to the possible implementation of

more fundamental changes in the structure of the Ontario workers' compensation system.

Mr. Wrye: Mr. Speaker, I will be fairly brief in my remarks since, as the minister pointed out at the conclusion of his remarks, the standing committee on resources development will be resuming its hearings on the Weiler report and the white paper growing out of that report in January, and I hope that changes we will be making as a committee and recommending to the minister and to the Legislature as a whole will deal with some of the more fundamental matters.

What we have before us today, as the minister himself has said, is really an ad hoc arrangement, which will increase benefit levels to injured workers between now and the time when we can put in place perhaps a more permanent and better system than the one we have now. In this matter our party will support in principle the changes proposed by the government. We would always support an increase in benefits to injured workers.

That having been said, there is no doubt that we are extremely disappointed that the government has seen fit in a way—and the minister has just repeated it—to tie the benefits received by injured workers, as inadequate as they are, to his restraint program.

I noted that in his comments today and in a statement that was issued under his name last week, the minister said: "The nine per cent change reflects current inflation rates as evidenced by the consumer price index. It also closely tracks recent wage adjustments, which have moderated significantly in response to our present economic conditions."

The minister then went on to say: "The government has an obligation to comply with the spirit of the Inflation Restraint Board in establishing prices, incomes and benefits which have an impact on costs elsewhere in the economy, and at the same time to recognize the legitimate needs of workers. There is a responsibility to balance these two factors."

Quite frankly, given the rates of benefits for injured workers that are in front of us, we are not absolutely sure and, in fact, we do not believe that there was a need for the government to try to anticipate a reduction in the consumer price index.

3:40 p.m.

The minister rightly points out that the consumer price index back in July, which is when these changes are retroactive to on a year-to-

year basis, was running at a rate of 10.8 per cent. It seems to me that it would have been more appropriate for the increases that the minister brought to this House to reflect that 10.8 per cent figure.

In spite of the fact that the standing committee on resources development was assured, as we held our meetings, that the increases given injured workers would not really come under the restraint program, I suspect what we have here before us today is something that tracks the inflation restraint program a lot more closely than it tracks the rate of inflation.

I regret that, and my party regrets that. It is our view that injured workers' needs are not and never could be wholly and adequately met through any kind of compensation program, but at least they should have been protected by tying them to the rate of inflation.

I understand the reluctance of the minister—and I accept his word—to move in the hope that in our committee we would be able to conclude our work so this kind of an ad hoc increase was not necessary. But I regret—and I have not been here long, but it seems to me this is the way these things happen—that increases in compensation rates to injured workers seem to find the light of day only towards the end of a session.

The last time we were in this position was in the dying days of June 1981, when we were in a hurry to get out of here. Instantly we saw a bill to increase the benefits of injured workers and were asked to debate it in a couple of short hours. We have the same problem today.

I note again from the minister's statement that the benefit increases will show up in the January cheques and that there is a further promise that the WCB will do everything in its power to make sure the retroactivity is taken care of as soon as possible; but there are no guarantees. I say to the minister quite sincerely that it is a shame, given the fact we now are in the Christmas season, that we could not have moved forward some time ago, at least a month and a half ago, with this legislation.

I am reminded that my friend the member for Downsview (Mr. Di Santo) and I raised this matter with the minister as early as late September. The minister indicated that if the resources development committee could conclude its work, there might not be need. It became very clear that we could not conclude our work, and we raised the matter again.

It seems to me it would not have taken much, having looked at this piece of legislation, for the minister to have brought this matter forward for

our consideration in early or mid-October so that these nine per cent increases he proposes and others that may flow out of the debate and any amendments that may come up—these benefits which belong to injured workers because they are retroactive—would have been in the hands of the injured workers for Christmas.

I understand and accept that the minister gave his assurances the bill would come in, and it has come in. But his assurances will not buy toys for Christmas for the children of injured workers, and they will not buy a good Christmas dinner. What would have bought them would have been to have got this money, which belonged to the injured workers since it is retroactive, into their hands by now.

Again I will deviate from what I promised not to do and will talk a little bit about the white paper in one area. I refer to the fact that once again we have ad hoc increases showing up, not at definite periods of time, such as once a year or once every six months, but at the whim of the minister or at the whim of the cabinet.

The very point the minister has made for us here in our considerations on the white paper is the importance of not leaving in the hands of cabinet some opportunity to have an annual or biannual review; we must write into any changes in the workers' compensation legislation a mechanism for automatic increases. Whether those increases are tied to the consumer price index or the average industrial wage, I will leave for our discussions in committee; but it seems to me that these increases should not be brought to the House on the whim of the cabinet.

As the minister knows, because we had some discussion of this when we were discussing the annual report of the board, my colleagues and I are delighted to see that the government has moved even during this time to change the title of the act to Workers' Compensation Act and the name of the board to Workers' Compensation Board. We welcome that change; it is long overdue. We will support that as well as the increases in benefits.

Just to sum up: We are very happy that this bill has come forward at last. We are delighted that it is retroactive, and we hope this House will give speedy passage to it. If the minister in the Christmas spirit wishes in his final remarks to stand up and say, "I agree with the member for Windsor-Sandwich and raise the limits across the board from nine per cent to 10.8 per cent," we will welcome that as well.

Mr. Lupusella: Mr. Speaker, I too rise to express regret and consternation that we are

faced with a piece of legislation that has to be debated just before Christmas. We are in a situation where we have to rush in passing this bill to make sure injured workers are going to get the increase. I hope that when this bill is passed, the cheques are going to be sent out to injured workers across the province as soon as possible.

I realize there is a lot of material that must be debated in relation to injured workers in general in the province. But again, as a result of restraint, which we are in at this time, we are trying to make sure that we are going to debate the principle of this bill with its content, and we hope that next time the Minister of Labour (Mr. Ramsay), along with this government, will make sure that the passage of legislation in relation to the Workmen's Compensation Board will be debated thoroughly without any rush.

Injured workers across Ontario have been waiting for these increases for many years, and I am sure they are extremely anxious, particularly at Christmas time, to make sure they can buy gifts and toys for their children. So I hope we will get deeply involved in this process to make sure the bureaucratic process of the Workmen's Compensation Board will be speeded up to ensure that injured workers will receive the increase and the retroactive payments as soon as possible.

Having said that, I am pleased and delighted to rise to speak to a bill related to the Workmen's Compensation Act. The bill's passage is long overdue, and the injured workers have been demonstrating with good reason for several weeks in front of Queen's Park, requesting increases in the level of benefits and pensions as well as changes to the Workmen's Compensation Act.

Injured workers across the province deserve more than the nine per cent provided by Bill 205. Workers permanently or partially disabled have the legal right as citizens of this province to request concrete changes in the whole structure of the board, which is anachronistic, outdated and unable to meet the social and moral needs of injured workers.

Finally, it is time this government enacted legislation that included a specific clause to adjust pensions and the levels of benefits based on an objective measure such as the average industrial wage. Such a process should take place on a semi-annual basis and not be orchestrated at the whim of the government.

3:50 p.m.

Injured workers have been demanding these changes year after year through briefs and demonstrations, but they have been faced with an unwillingness on the part of this government to respond compassionately to the new reality with which injured workers are faced as a result of the hard economic conditions affecting all workers in the province.

In view of that, injured workers are hard hit, especially those who are temporarily partially disabled or permanently partially disabled but cannot find a job. They would like to have a job, but their efforts are vanishing because the opportunities to return to the work force are slim for them, not to say frustrating at the same time.

With the small pensions, most of which are unfair and unjust, this category of worker in particular is suffering the most, which leads to misery because of the unfairness of the Workmen's Compensation Act.

These are the same people who once were proud to make their contributions to the development of this province through their hard work. As a result of their accidents, they are permanently or temporarily impoverished because of the stinginess of the Workmen's Compensation Act and its administration.

These are the same people who had been forced against their will to collect family benefits or welfare allowances on which to sustain their families or to apply for Canada pension plan benefits.

These are the workers who are appealing and demanding reforms in the whole bureaucratic operation of the board, going through lengthy appeals and requesting increases in the assessment of their pensions based on the archaic "meat chart," because pensions are much too low and therefore losing ground every year because of the cost of living.

If we consider for a moment old injuries, going back to 1943, when the ceiling of maximum weekly earnings covered was \$48.08 with the maximum weekly WCB payments of \$36.06, injured workers affected by a temporary or permanent ability were receiving a small amount of pension, and on top of that, the "meat chart" by which injured workers were assessed made the pensions that were calculated extremely low indeed.

A nine per cent increase on injured workers' pensions means nothing, completely nothing, and I want to tell the minister that the nine per cent increase provided by Bill 205 is a slap in the face to the thousands and thousands of injured

workers who will see their pension cheques increase by a few dollars or cents.

Is this the way the government is thanking all injured workers who once were proud to make their contribution to the development of this province? I think the nine per cent increase is offensive, unacceptable and cruel.

For a disabled worker injured as of July 1, 1973, the ceiling or maximum annual earnings covered was \$10,000. As a result of this, the maximum weekly earnings covered was \$192.31. The maximum WCB weekly payment was \$144.23. At that time, injured workers who were temporarily totally disabled were receiving the maximum weekly benefits as long as the reports from specialists were confirming this fact. In the event that these doctors stated otherwise, especially that the disabled person was capable of performing light duties, then the weekly benefits were cut down to 50 per cent or less.

The board had been using this discretionary and unlimited power since the introduction of the Workmen's Compensation Act, which goes as far back as 1914, if I am not mistaken. During this period of time, from approximately 1914 to 1973, thousands and thousands of cases of injustice were committed by the board against its injured workers and their families.

I have heard of cases of people losing their homes, of family breakdowns and of immigrants returning to their homelands because of their inability to survive within such restrictions, becoming tired of fighting an endless battle against the adverse conditions under which the Workmen's Compensation Board placed them.

For all these people, the nine per cent increase provided by Bill 205 means very little and is quite insignificant and demoralizing, because the ceiling was low to begin with; the cost of living was skyrocketing and their level of pension was low.

This ordeal came to an end on July 1, 1975, when the maximum annual earnings covered by the board was \$15,000 and the maximum weekly payment was \$216.35, and, most important, injured workers with a temporary and partial disability, able to do light duties, could not be cut to 50 per cent as long as the job was available and they were co-operating with the rehabilitation department of the WCB.

These changes came along, not as a result of the free will of the Conservative government but as a result of organized injured workers who pressed for changes in the Workmen's Compensation Act, together with political pressure from the New Democratic Party which demanded

then, and is still demanding, total reform for the benefit of all injured workers of this province.

It is time for the Workmen's Compensation Act to be phased out once and for all, to be replaced by a universal insurance scheme as has been demanded by this side of the House on several occasions, in order that all workers in this province will be covered on a 24-hour basis with decent pensions being given to injured workers who are justly entitled to them and ending the intolerable practices of the Workmen's Compensation Board.

It is cruel for public employees to be placed under the restraint program through Bill 179. It is even worse to limit injured workers' pensions within the nine per cent measure, because the level of pensions for totally permanently disabled workers is below the poverty line and far below that of certain public employees.

Why are injured workers receiving a nine per cent increase and not a 15 per cent increase, which would be the right percentage based on cost-of-living increases since July 1, 1981? Why is the government so stingy in delivering money to rightful recipients when we know for a fact that the board has billions of dollars invested in long-term bonds and short-term securities?

To enlighten the minister's mind, I want to read some figures I have in relation to investments made by the Workmen's Compensation Board between 1975 and 1982. Let us find out how much money the Workmen's Compensation Board has invested.

In 1979, the board had \$1.35 billion invested, of which 65 per cent was in long-term bonds, 22.7 per cent in mortgages and 10.3 per cent in short-term securities. In December 1980, the board had \$1.49 billion, of which 70 per cent was invested in long-term bonds, 24 per cent in mortgages and six per cent in short-term securities. In December 1981, the board had \$1.569 billion, of which 68 per cent was in long-term bonds, 25 per cent in mortgages and seven per cent in short-term securities.

In December 1982, the board had a total investment of \$1.6 billion, \$1 billion of which was invested in long-term bonds, \$400 million in mortgages guaranteed by Canada Mortgage and Housing Corp. and \$200 million in short-term securities. These figures do not refer to the total amount of money that is paid annually by all employers of this province.

4 p.m.

Just to enlighten and refresh the minister's mind, I want to draw his attention to the fact that employers well protected by the Workmen's

Compensation Act and making contributions to the workers' compensation fund are treated differently from injured workers. Their increase in assessment rate per \$100 of payroll in 1977 was nil. In 1978, it was increased by 3.7 per cent, but in 1979 there was a reduction of 9.6 per cent. For 1980 there was an additional reduction of 8.4 per cent. I do not have figures available for 1981 and 1982.

I will be moving several amendments to this bill when we are in committee. The essence of these amendments will be threefold: (1) to increase the level of pension benefits and to provide for a catch-up provision for the lost purchasing power; (2) to provide for the automatic adjustment of all pension benefits on a semi-annual basis, tied to changes in Ontario's average industrial wage; (3) to increase the ceiling on earnings and, therefore, the basis on which compensation rates are determined.

In general, the increases I will be putting forward provide for a 15 per cent adjustment rather than the nine per cent proposed by the minister. There will be an additional catch-up provision of six per cent on January 1, 1983. These measures are designed to deal in a very minimal way with the loss of the purchasing power of the pension dollar. This conservative estimate hardly begins to deal with the real needs of those who are recipients of the WCB pension.

I am putting these amendments forward in the hope that the present minister will not use the same excuses for inaction as the previous minister did in June 1981. The former Minister of Labour would not accept any of our amendments on the grounds that the white paper and the Weiler reports were to be dealt with by a committee of this Legislature. It is now 18 months since that promise of action was made.

I would like to emphasize briefly what the NDP position is in relation to the Weiler task force and the paper that was drafted as a result of that by Professor Weiler. The NDP made a presentation which enlightened in some way and stated very clearly the position of the New Democratic Party in relation to the general principle of the Workmen's Compensation Board. Members of the NDP caucus have been involved with the Workmen's Compensation Board, with its chairman, and with a succession of Ministers of Labour.

We and our staff have handled literally thousands of cases on behalf of our constituents and we are acutely aware of how the workers' compensation system operates in Ontario.

Unfortunately, we are witnesses to the daily frustration, anger and despair that surround many injured workers and their families. For many of them, the traumatic experience of an injury or illness coupled with the loss of income is compounded by having to deal with a huge bureaucracy, which forces them into adversarial confrontations. The struggle for what usually turns out to be an inadequate level of benefits often results in bitterness and hostile suspicion. The goals of adequate income replacement and rehabilitation are rarely achieved.

That has been our experience, and that is why we are profoundly disturbed about the present system. As long as compensation is solidly based on a work-related injury or illness, as long as compensation is viewed as assistance rather than insurance, and as long as compensation is viewed as a privilege rather than a right, our society will be less just and humane than it should be, and our compensation system will continue to generate frustration, anger and despair.

It defies logic to provide compensation to an injured worker when he breaks his leg at work, but to leave the worker and his family entirely on their own if the injury occurs at home, on the street or in his automobile. The physical incapacity is the same. The loss of earning capacity is the same. The anguish of the family is the same. The need for rehabilitation is the same. Everything is the same, except for compensation.

Only if the worker is one of those privileged few who happen to be covered by private disability income insurance will there be any compensation at all. We start from the basic premise that workers and their families should not be penalized when injury or illness occurs. Society must begin to accept the responsibility for the welfare of those who, because of injury or illness, are not able to sustain themselves.

We view this form of compensation as a basic right which should be seen not as a form of assistance, but as insurance against physical incapacity. The present system of workers' compensation is totally inadequate when viewed in this light. Its adversarial nature, coupled with its exclusive focus on work-related disability, makes the system incapable of responding to wider social concern.

We believe that only a universal sickness and accident insurance program will begin to provide the necessary protection against disability which workers and their families deserve. A just compensation system must provide for accident prevention, income maintenance and rehabili-

tation. The Workmen's Compensation Board, as currently administered, fails on all three counts. Only a universal social insurance program can begin to meet these needs.

We stated these principles, which have been presented before Professor Weiler, when we had other Ministers of Labour. The only answer given by the government at the time—I am talking back to 1975, 1976 and 1977—is that the government was taking a close look at the universal insurance scheme in principle. I am sure that the Minister of Labour stated several times in the Legislature and also in committees and during the estimates, that he was taking a close look at the universal insurance scheme which is now implemented in New Zealand.

This story has been going on for several years, the government being particularly interested in this issue, but they never came out with an implemented legislated principle, which is the universal insurance scheme which the New Democratic Party has claimed in the past, is claiming now and will claim in the future.

In June 1981, the NDP moved several amendments in committee in relation to increases to the WCB level of benefits. I want to report, for the sake of the record, the position taken by the former Minister of Labour when my colleague from Nickel Belt (Mr. Laughren) introduced several amendments in the Legislature to amend the last bill, which was debated around June 1981.

4:10 p.m.

The same excuse has been carried through the full debate on this bill. The position of the government at the time was that they could not accept any amendments on the bill because Professor Weiler first had to draft the final report, the recommendations and long-range views on the Workmen's Compensation Board, the administration and so on.

When my friend from Nickel Belt introduced the first amendment, the minister replied at the time:

"Mr. Chairman, I cannot accept the amendment. It comes on the verge of a white paper for consideration by this House and by the public which proposes major reforms in the workmen's compensation system. Also, the government has put forward interim pension benefit awards that are in keeping with the inflationary changes over the period of two years.

"I think to introduce amendments like this is really a little strange when we are on the verge of considering significant reforms to the compensation system." My colleague from Nickel

Belt was talking about increases in the level of benefits, level of pensions and so on. "What he is doing in this amendment, with respect, is to try to detract significantly from that process of consideration which I had hoped the white paper would receive. I have to oppose this amendment."

So the white paper was introduced to the public and this Legislature. Professor Weiler submitted his report in relation to all presentations and briefs which had been presented before him, and here we are close to 1983 and no action has been taken by the government except for this poor nine per cent increase for injured workers across Ontario.

Again, I want to quote from the comments the minister made at the time:

"Mr. Speaker, we cannot accept this amendment for the very reasons I gave you before. This government is in favour of a consideration of major reforms to the board. This particular amendment, which many of us have great sympathy with, constitutes" etc. My colleague from Nickel Belt was talking about increases in the lump sum payment to a widow or widower in the case of the death of a worker on the job or as the result of an accident on the job.

Going ahead again with the position taken by the minister at the time, on June 30, 1981, in relation to another amendment, he replied: "Mr. Chairman, once again I will not accept that amendment on behalf of the government, not because the government does not believe that reform is necessary, but because it has that process of reform now out for consideration. In the meantime, we are proposing interim benefits in keeping with inflation."

In relation to another amendment which dealt with increases when an injured worker was temporarily totally disabled, the minister replied: "There is a white paper before the House and before the public, indicating significant proposals for revision. These amendments are inappropriate and I cannot support them."

And last, in relation to the automatic cost-of-living increase put forward by my colleague from Nickel Belt, the minister replied: "Mr. Chairman, the government does not accept the amendment. As the member well knows, the ceiling has been increased in line with the cost of living and the new proposal put forward in the white paper with respect to the ceiling adjustment is there for discussion and consideration." The minister used the same tone and approach through the course of the debate on the bill which took place in June 1981.

Today, we are faced again with the other interim measures in relation to changes in the Workmen's Compensation Act and the increase of nine per cent in relation to benefits and pensions. The minister is introducing that bill before Christmas. We also stated very vividly in the Legislature that we would be appalled if this bill were debated now, before Christmas. I think this is an irrational way of dealing with long-range plans and important principles related to injured workers in Ontario.

Through the experience of the past, the information the minister has in front of him, the paper that has been drafted by Professor Weiler and the position of the New Democratic Party which has been consistently stated in the past and up to the present, the Minister of Labour will have an opportunity to take a close look at the total reform of the Workmen's Compensation Act in order that injured workers will not be suffering now and in the future in relation to benefits and increases in pensions.

Along with several members of my caucus, I am frustrated that we are supposed to debate this bill now. Injured workers are not receiving the total increase they are entitled to as a result of the cost-of-living increase clause. I hope the minister will introduce concrete changes in this forum to make sure we have ample opportunity to debate the restructuring of the Workmen's Compensation Act.

Mr. Newman: Mr. Speaker, I rise to make a few comments on Bill 205, An Act to amend the Workmen's Compensation Act.

My first comment will be to commend the minister, because I think this minister has taken a completely new approach to the injured worker, a far more humane approach than has been expressed by previous ministers. The only problem is he is still handicapped by the circle around him which prevents him from providing to the worker the benefits he should be entitled to under more humane circumstances.

This change in benefits to workers has been long overdue. The minister himself agrees with that. However, the fact that the bill is before us at least takes care of the situation for the time being. I regret very much it has been delayed so long in the introduction, because a lot of individuals who are receiving workmen's compensation benefits needed that money six months ago, even nine months ago.

It would have given them a little better quality of life or at least it would have provided them with a better existence than they have had to

suffer through until this bill becomes law and they can receive the benefits of this legislation.

I could be repetitious by making some of the comments the member for Dovercourt (Mr. Lupusella) has made, as well as the member for Windsor-Sandwich (Mr. Wrye), who led off for the party of which I happen to be a proud member.

4:20 p.m.

I would think a lot of these comments have already been made over the years, but they fell on deaf ears. Now that we have made a breakthrough with the minister, I hope the next improvements in workmen's compensation benefits for those individuals who in many instances cannot get employment because of a workmen's compensation claim will not take so long.

The benefits should be improved on a quarterly basis at the longest. One should not have to wait longer than that for improvements. The individual on workmen's compensation gets little enough, in most cases and maybe even in all cases, when one considers that in many cases he has had his complete livelihood taken away from him and he or she has to subsist on just the benefits being provided by the legislation as introduced by this government.

Sometimes an individual is said to have 25 or 35 per cent disability. The minister indicates a percentage of disability, but when it comes to getting employment, regardless of the amount of disability, once that individual has a workmen's compensation claim, in many instances the employer refuses, in the case of the individual changing jobs, to accept him for employment because he has a record with the Workmen's Compensation Board. It puts that individual at a real financial disadvantage, as well as limiting his opportunities when it comes to obtaining employment.

The individual with a 25 per cent disability is just as much in need of assistance as the one who has a 50 or 75 per cent disability. In economic conditions such as they are now, the one with the small disability cannot find employment because, in my estimation, he is quite often put at a disadvantage and discriminated against by the employer to whom he applies for employment.

Workmen's compensation problems are probably the greatest work producers in my constituency office. The pleading, begging and comments by the individuals on workmen's compensation are very heart-rending in most instances. In the ensuing period of time, I certainly hope the minister will not wait before asking his colleagues for additional funding to take care of

those who unfortunately have to accept workmen's compensation because of some job-related injury.

Sometimes that job-related injury is not necessarily physical. It can also be mental, in some instances abuse the worker may receive from his immediate boss or the individual for whom he works. One has to take into consideration that the physical part of the individual is readily visible, but the mental problems one goes through because of injury and the effect injury can have on the whole family life have to be taken into consideration.

The minister's increase is nine per cent. I certainly would have liked to see that at least balancing with the cost-of-living index. Unfortunately the minister decided, because of the nine and five approach his government is using, that it is what he is going to provide to the injured worker.

All I can say concerning this bill is that it is better late than never, but it should never have been late in the first instance. I could make more comments, but there are many others who wish to comment on this bill and who will add a lot of other perspectives to this workmen's compensation bill.

Mr. Di Santo: Mr. Speaker, I rise to speak on this bill, because I think it is a bill that is long overdue. We in the New Democratic Party have been trying not for months but for years to have the system changed, and today we do not rejoice that the minister has introduced a bill that increases the benefits of the injured workers by nine per cent.

Last summer, when we were sitting on the resources development committee, and in fact on September 22 when we were faced with the possibility that the government would recall the House to impose the dictatorial Bill 179 on the civil servants of the province, the member for Nickel Belt and I introduced a resolution asking that the government in the interim, while waiting for the reform of the Workmen's Compensation Board that did not come, has not come and will never come with this government, would at least upgrade the benefits of the injured workers, compensating them for the inflation that intervened between 1981 and September 1982.

The response of the members of the Conservative caucus was unanimous: they defeated our motion. We kept insisting, asking the minister to give a sign of generosity by giving the injured workers at least an increase that would signify to them that this government is not totally blind to their needs, and the minister has

postponed and postponed until the dying days of this session, thus preventing us from staging a full debate, as this issue deserves. I want to say that until we reform the system of the Workmen's Compensation Board with bills like the one we are discussing at present, we will not solve any problems.

We in the New Democratic Party fully realize that the Conservative government is not in the least interested in solving the problems of the injured workers, probably because in political terms the Conservative Party thinks that injured workers are a marginal group, are not a pressure group and therefore can be left out in the cold.

I think they are making a very serious mistake, because the injured workers are first of all human beings, people who have contributed highly to the welfare of Ontario and of this country, and they should therefore be compensated if they are disabled because of an accident.

Three years ago the government appointed Dr. Weiler. After Dr. Weiler presented his first report to the government, they produced a white paper. Dr. Weiler has not presented his final report, incidentally; but in the meantime Dr. Weiler has been engaged in many other operations, and one of them was the mediation in the doctors' dispute. It is ironic that the government took the advice of Dr. Weiler when he proposed that doctors' salaries should be increased by 35 per cent in three years but did not take Dr. Weiler's advice when he suggested the benefits of the injured workers be upgraded.

4:30 p.m.

He spoke of adjusting it, not of increasing it. I want to read into the record, hoping the minister will listen, what Dr. Weiler's report said: "If the government or citizenry of Ontario is not prepared to justify an explicit reduction in the real entitlement of workers' compensation pensioners, to take such a step as a conscious policy, they must not tacitly permit the same result to come about by allowing supposedly impersonal economic forces to take their course. This is why I deliberately speak of an adjustment to, rather than an increase in, pension benefits to take account of intervening inflation."

The government, by proposing this bill, is not only accepting that what Dr. Weiler defines as "impersonal economic forces" should take their course but is contributing with this action to reducing the incomes and benefits of the injured workers. Using any yardstick at all—the inflation intervening between July 1981 and today, the average industrial wage, the consumer price index or the purchasing power of pensions—the

minister will realize that nine per cent is totally inadequate.

The minister, I am sure, will not be able to justify rationally why nine per cent is adequate at this time. He knows very well that with this bill he does not solve any of the major problems the injured workers have because of the workmen's compensation system in Ontario.

This bill does not solve the problem of adjudication, and we know today how monstrous the system of adjudication is. It does not solve the problem of the right to return to jobs. I know the Conservatives are not interested in that, but there are literally thousands of injured workers who are defined as partially disabled who cannot return to any job at all because there is no provision in the legislation of Ontario.

This bill does not do anything to solve the crucial problem of the medical review panel of the individual cases, which are one of the most serious problems. The Workmen's Compensation Board has on staff a group of doctors who are totally insensitive to the problems of the injured workers. They will use any kind of excuse, any kind of mechanism, to keep the benefits of the injured workers low. Not only that, but doctors will throw them out of the system by using the present act.

The minister knows this bill does not do anything to solve the problem of the rating. The rating, I think, is disgusting. It has been called "the meat chart" by injured workers. It is one of the reasons thousands of human beings are suffering—because they are treated like pieces of meat. This bill does not do anything to solve that problem.

For those reasons we support the increase, because injured workers have been waiting for an increase in their benefits. We have seen them demonstrating outside the Legislature in a very decent way, in a very honourable way, and we have seen them up there in the galleries, expressing their anger with such dignity. The government should have recognized, at least for a moment, that they are faced with a group of citizens who, after having worked hard for our society, are being penalized.

We favour the increase in benefits, but we cannot accept the measure. That is why I will support the amendments my colleague the member for Dovercourt (Mr. Lupusella) will introduce, in the hope that the minister in a last moment of sanity will consider that what we are proposing is not preposterous, and is not out of line with the resources of the Workmen's Compensation Board. It is less than what any other

group in our society has received until now. We hope he will accept our amendments.

Mr. Sweeney: Mr. Speaker, I do not intend to go on very long for two reasons. The first one has been alluded to by all the previous speakers, and that is that a number of us have been, and expect to continue to be, working on much broader workmen's compensation issues through the select committee. That committee sat last summer and was supposed to sit well into the fall, but was short-circuited by the decision of the Premier (Mr. Davis) to bring us back in early September.

The other reason I do not want to go on too long is that the immediate need of injured workers is to get an increase in their pensions and various other compensable benefits. While I will concur with members of both my party and the New Democratic Party that the amounts listed here are not sufficient, I hope to see this legislation amended to get some changes through as quickly as possible. It certainly is not my intent to hold it up. I concur with comments made by members of both the opposition parties that there is a great deal to do with respect to meeting the needs of injured workers in this province, and much of that will be done in the coming months.

There are three issues here, two of which are dealt with in the bill and one that is not in the bill. The first issue, and I do not think there is going to be any disagreement with it, changes the name from "workmen's" to "workers'." That has long been advocated and I certainly concur with it. I cannot imagine anyone who would disagree with it. The second issue in the bill is the definition of the actual amounts that are going to be increased. Our party will go clearly on record as saying we do not believe the amounts included in the bill are sufficient. I do not pretend to have any magic number but I want to refer for a minute to some of the comments made by the minister himself.

He alluded to the fact that injured workers, like everyone else in the province, are going to have to recognize the economic situation in which we are all living today. I understand where that comment comes from. I think we all have to recognize, the minister particularly because of his responsibility in this area, that injured workers in Ontario, or for that matter in any jurisdiction, are not like the rest of us. Quite frankly, injured workers simply do not have the opportunities that other workers in the province have.

I need not recite chapter and verse—every

member of this Legislature could do so quite adequately—about the number of injured workers who come to my constituency office, as they come to all of the others. I think particularly of those who have a permanent partial disability with which they are going to have to live for the rest of their lives. These people are told time and again they now must find light work or part-time work. The intention is that the whole compensation program is to be supplemented by this kind of work.

Yet the minister knows, as does every single member of this Legislature, that kind of work simply is not available. It is not available in numbers of jobs that would meet the needs of injured workers.

4:40 p.m.

I suspect there are not many communities in this province that have the diversity of employment opportunities of my community. We have a significant unemployment rate in my area, but we also have a diversified community—with the manufacturing industry, the retail industry or the various service industries. It is very diversified and, if there were any places where part-time work and light work should be available my community would be one of them. It is not unique in that sense; there are many others. But injured workers, especially those who are receiving partial compensation, simply cannot find that.

The only point I am trying to make is we cannot consider the injured workers who are being affected by the legislation before us today like everyone else because they have a massive strike against them. Therefore I would argue strongly, and will support those amendments that are going to be brought forward, that the nine per cent limitation should not apply. If there is any way to maximize the increase of any group in our society, this is one we should take into consideration.

I know immediately what one of the counter-arguments is going to be. Some members will say this money has to come out of the pockets of the employers, the industries, the retailers and the manufacturers of this province, that this is not money that comes out of the pocket of the government. I understand that. I have been approached on numerous occasions, as I am sure every other member of this Legislature has been, by those people who have to pay that bill saying, "We cannot afford it."

There are a couple of factors we have to consider. The first is going right back to 1915 when a contract was made. In lieu of going to

court, in lieu of the much higher settlements which might be made, in lieu of the fact that an injured worker might lose his case—and I agree there is merit on both sides—a contract was made. The Workmen's Compensation Board or, as it will now be called, the Workers' Compensation Board, would take the place of that. However, there has been an understanding all the way along that the agreement would result in fair compensation.

We have had a number of situations where we had to look at how fair and just that compensation has been. We are doing that again at the present time. It is my fervent hope, and we will only know whether it will be realized over the next months and perhaps years, that there will be a greater element of fairness brought into this.

The second point we have to make is that when we are dealing with the employees of a manufacturer, a retailer, a service or whatever the case may be, we are not dealing with machines, buildings, inventory, stock or utilities; we are dealing with human beings. That makes them uniquely different from any other element of an employer's operation.

That human being must be taken into consideration in a unique and different way. When people are injured on jobs, in most cases through no fault of their own, are injured assisting in the advancement of their employers' operations, they must be considered in a unique way.

We know that those who have to pay this bill are going to indicate to us: "We simply cannot afford this. We have to use that money for all of these other things." It is our job to bring to their attention that nothing can take priority over their workers. If there is one message we as members of this Legislature have to send out beyond the four walls of this room, it is that it is the people, the human beings, who are important. We must show we are going to do everything we can with whatever legislation we deal with to indicate that very strongly.

I indicated there was a third element that clearly has to be put into this, one that is not there now. That is the element of regular periodic changes. We have seen so many times the dilemma we face here today, a dilemma that has been expressed very clearly by the member for Dovercourt and my colleague the member for Windsor-Walkerville (Mr. Newman), that it seems to happen this way all the time. In the dying hours of these sessions this is the kind of bill we are faced with.

I do not know how many times we are going to have to say it. Surely we have learned by now there just does not seem to be any way to avoid it. The one element that simply must be introduced into this legislation—and I would hope the minister himself would take it upon himself to do so—is a clause that would simply say that at such-and-such a time over such-and-such a period, there will be automatic increases tied into a measuring stick on which all of us, or at least most of us, can agree. That is the one element that has been left out of this legislation.

I am certainly happy the legislation has been brought forward. I share the support of my colleagues and I compliment the minister that it is retroactive. I compliment him on the fact that the name has been changed. That might be perceived by some as simply cosmetic but it is obviously a change a lot of people desired and felt there was a need for, and we are doing it.

But the amounts in here do not meet the need. We have to consider these people with special needs as apart from the usual. Second, there is no provision in here for those automatic increases that simply must come. I would hope very strongly that the minister and government members would speak to that issue and would support it.

Mr. Laughren: Mr. Speaker, I too will be brief. It gave me a great deal of pleasure to hear the member for Dovercourt speaking. I do not know of anyone who knows more about injured workers and their problems than Tony Lupusella, and I know of no one who has devoted more of his life to helping injured workers than Tony Lupusella. I am very proud to be associated with him, not only in this caucus, but to count him as one of my friends as well.

Some of us have spent a lot of time over the years talking and working on workmen's compensation reform in Ontario. I am not talking about individual cases now. I recall being on a select committee which was looking at sickness and accident insurance and we got into the whole question of compensation—how it is possible to have an adequate workers' compensation system separate from other forms of sickness and accident insurance.

I think if you took a poll among all three parties who sat on that committee they would tell you it is not possible to have a sane system that makes a distinction, where a person is injured, between whether a person is sick as a result of employment or whether he gets hurt on the job—and regardless of fault as well. We live

in a very complex society where it is no longer possible to make those distinctions.

There are three things we should be concerned about—prevention of illness and accidents, income maintenance and rehabilitation. That is what should be foremost in any consideration of compensation. That is why we are all looking forward to Paul Weiler's next report and I hope the minister will indicate when we can expect that report, according to his latest information.

This bill, of course, does not deal with the broader scheme. It would be out of order to talk about it on second reading. I believe we have to overcome something that other members have hinted at as well; the member who just spoke from the Liberal Party hinted at it. If we are going to view work as something that is valued, something that gives someone a sense of worth and wellbeing in our society, we cannot then punish people for doing that. We cannot punish them because they happen to be working and get injured as a result of that work. We somehow have to get that out of our minds.

There is an obstacle in there now that says it is appropriate to penalize workers financially when they get injured on the job. This is not to be mean, but it is there, it is built into the system and nowhere is it more evident than when you get into the partial disability problem. I know it is a serious problem and I am not trying to minimize it. We worry a great deal about the level of total temporary benefits, for example, and so we should.

But the really serious problem that affects a lot more people over a longer period of time is the whole question of pensions for partial disabilities. That is something we still have not been able to come to grips with. This bill, while it raises the levels and so forth, does not deal with that at all.

4:50 p.m.

The more you look at it, the more you keep coming around full circle to the comprehensive system. It does not matter what arguments are used; it does not even matter what side you are on. If one carries the thought process through logically, one will come to the conclusion there is no other sensible solution. There are models available. The minister knows what they are. I think it is high time we moved away from this notching kind of system we have here at the whim of whoever the minister might be.

In the past it was every two years that there was a rise. This time it has been a year and a half. I will not question why it is a year and a half; it is

better than two years. I will not question whether it is because it allows the government to give a nine per cent increase now, because beyond this date they would be hard-pressed to make it more than nine per cent. Then they would be going against their nine and five rule. I do not know whether that was part of the thought process or not. I will not debate that.

I believe that until the people running the compensation system in this province get it out of their heads that it is inevitable that injured workers will be financially penalized, we are going to have misery put there for injured workers. That really is not appropriate in this day and age.

I am glad to see the big honchos from the Workmen's Compensation Board under the gallery, taking this all in. I know if the minister were to turn them loose—some of them, I wish he would turn loose, quite frankly—and let them make some improvements, they would probably come up with some good suggestions.

This whole idea of a comprehensive system does not meet with as much disapproval at the compensation board as they might expect. I do not think it is because they see a bigger empire. I like to think it is because they know it would be more efficient and that they could do more justice to injured workers.

In conclusion, if there is one thing that would make life better for injured workers aside from this overall restructuring, it would be to live up to the motto of the Workmen's Compensation Board, "Justice humanely and speedily rendered." I believe that is still the motto at the board, and I hope the emphasis is not on rendering but on justice being humanely delivered to injured workers.

Finally, I am very pleased to see that the Liberal Party of Ontario is going to support us in our amendments to increase the level of benefits from nine per cent to 15 per cent. It is amazing what majority government will do. When there was minority government and we could have made some substantial increases, the Liberal Party, if my memory serves me correctly, voted against our amendment and in support of the government when they had an opportunity to make significant changes.

Interjections.

Mr. Laughren: Now, when they know it will not change, now when the government can outvote them, they join us in battle to improve the level of benefits. When they had the opportunity to make changes they chickened out. They all need a spine transplant.

Ms. Copps: The motto for that party should be *tempus fugit*. Time is flying while words are passing and still the injured workers have not received the increases to which they have been entitled.

Mr. Speaker, I would like to start off by throwing a little bouquet the minister's way. Heaven knows, because of the absolutely disgusting behaviour on the part of some members he has been faced with at times in the last session of the Legislature, I think the minister deserves a couple of bouquets.

One bouquet is for the fact he has started to recognize there are workers and there are workers in Ontario—which means there are men workers and there are women workers. It is not simply the Workmen's Compensation Act; it is the Workers' Compensation Act. I believe if the amendment as carried in this bill is carried in all of the legislation relating to the Workers' Compensation Act—and I hope it will be carried at some point in the future—it is also incumbent upon the minister to translate that feeling into action at the level of the Workers' Compensation Board.

Notwithstanding the New Democratic Party's claim to fame in terms of the Workers' Compensation Act, one of the reasons I am standing in this Legislature now is because the working people of my riding were kind enough to support me. Another is that I would like to see changes I feel are critical for injured workers all over Ontario—in Sault Ste. Marie, Hamilton or Toronto. I have been fighting, not only during my term as a legislator for the last two years, but for four years before that, so that working people in my riding can get a fair deal.

I am thinking of one issue that perhaps should be investigated at the compensation level. From time to time I have noticed some discrimination facing women, in particular, in their treatment under the Workers' Compensation Act. The minister may want to refer to an article that appeared some time last year in an Italian magazine published in Toronto. It deals with the whole subject of women and how they are treated by the board.

I cannot remember how many times I have been to a review board, or an appeals adjudicator, or appeal board hearing, with a worker who happened to be a woman. She will be asked: "Is your husband working? How much money does your husband make?" It seems to me when the compensation board is assessing the extent of a worker's injuries, whether that worker happens to be male or female, whether the spouse is

working—in particular whether the male spouse happens to be working—should be immaterial and stricken from the record.

I am glad to see the minister is starting to look towards neutralizing the Workers' Compensation Act in this legislation. I feel it is extremely important. If I had the resources of the minister and could do an analysis of the number of women and the number of men with, let us say lumbar spine injuries, and the percentage of pensions they receive, I am sure the men, almost without exception, would be seen to receive larger pensions than the women. This is despite the paltry pensions men often receive. I am having an analysis done in my own riding now to get a breakdown on how people are being treated—also on the basis of gender. It is something that bears looking at.

The second bouquet I would like to throw the minister's way is that he has brought in the legislation, limited though it may be, before Christmas. Let's face it, the New Democratic Party and the Liberal Party cannot claim credit for these increases. The credit for these increases goes to those workers, who, every Tuesday and Thursday in bitterly cold weather in the city of Toronto, came out in force to make their point in a peaceable demonstration. In terms of political action their tactics had much greater success with the minister than the tactics we saw last night from some of the so-called members of labour organizations.

It is a credit to the workers that they were able to carry on in a peaceable fashion without throwing things over the balconies. What we saw last night from the people who did was a complete disregard for the democratic process, a complete disregard for the use of parliament as the tool to exercise the will of the majority. The injured workers of this province understood that process. They came here to plead their case and, in a limited way, the minister has responded.

We do not feel his response is sufficient. We feel there should be a regular co-ordinated increase so that injured workers are not forced to demonstrate in front of the Legislature every time they need money, simply to survive over a bleak winter period. That is something we must definitely take a look at, and I am looking forward to some changes in that area.

However, once I have thrown those bouquets, there are certain other issues I would like to see raised in terms of the skewed priorities of this government. I am sure the minister was privy to an article that appeared a few weeks

ago in the Toronto Sun, in which there was a very elaborate discussion of the position of his cabinet. I know the minister agreed in this House that he was going to bring the issue of injured workers to cabinet, and he did. In a limited way he was successful—limited under the restraint program.

5 p.m.

Let us compare that with the reaction of cabinet, or in particular the reaction of the Premier (Mr. Davis), to the remonstrances of the Minister of Health (Mr. Grossman), notwithstanding a discussion in cabinet about having doctors, who are anticipating salaries in excess of \$100,000 over the next three years, brought in as an example to the people out there that we in Ontario are concerned about restraint in all sectors. We are talking not simply about restraining injured workers to a nine per cent increase but about bringing doctors in under this umbrella. In fact, it is our understanding from this article that cabinet in general tended to agree with that.

What happened in the process between this period and the actual emergence of the program that somehow doctors were left out? Is it that the Minister of Health in his capacity as a future leadership candidate potentially has more clout with the Premier than the Minister of Labour, who is expected to represent injured workers across this province? Is it that the Premier or the government is more concerned with the beneficial wellbeing of medical doctors in this province than with that of injured workers?

Those are questions I cannot answer. Those are questions that can be answered only by members on the government side, having been privy to that cabinet meeting and having been privy to the decision by the Premier to deliberately exclude the single highest-paid category of workers in this province, the physicians.

It is with great distress that I read on the one hand that this government can leave doctors right out of our restraint program and give them a three-year increase that will bring specialists' salaries on average to more than \$100,000, at the same time as, by our own amendment here, there would be, "where the widow or widower is the sole dependant, a monthly payment of \$537 effective the first day of July 1982."

Let us compare the figures, and I know the member for Northumberland (Mr. Sheppard) will be particularly interested in this in his capacity as a member of the standing committee on social development. In one column is \$100,000 plus and in the other is \$537 a month for a

spouse following the death of his wife or her husband on the job. That \$537 a month is all that person will be getting when his or her spouse is killed on the job. If you are unhappy enough never to have sought the state of marital bliss, or if you have divested yourself of it—

Mr. Wildman: How does one divest oneself of bliss?

Ms. Copps: Well, it could be divesting or nondivesting. But if you happen not to have a spouse or dependant, the sum total paid out, even with the changes, will be \$1,300.

I believe one of the members very accurately outlined the history of compensation. One of the reasons we brought workers' compensation into this province was so that workers would not have to become embroiled in lengthy lawsuits with companies if there were a question of company negligence. In this case, if a person dies on the job with no dependants, what he is entitled to will not even cover a full funeral in Ontario. I will hazard a guess that one will find very few funerals that will come in at less than \$1,300 in Ontario.

We are looking at a question of priorities. I believe the minister is extremely sincere in the concern he has expressed for injured workers, and I laud the fact that he was able to get limited help for them in the pre-Christmas period. But I am also extremely concerned that when we come to the changes affecting the Workmen's Compensation Act over the next year, it is critical that we come to grips once and for all with that incredible bureaucracy, that nightmare that is currently the Workmen's Compensation Act.

I would have to say—I am sure there are members on all sides of the House who have experienced this—that a tremendous amount of my time and the time of my two assistants in Hamilton is taken up with workers' compensation cases.

Mr. Di Santo: How come?

Ms. Copps: Because they both work part-time.

Interjection.

Ms. Copps: No. They are dedicated to the cause of helping injured workers across this province.

There is no doubt in my mind that there are some very serious changes needed. I think the minister is aware of the reservations that have been expressed with respect to the whole issue of job deeming in the context of the Weiler

report, and I am sure we will have a chance to get into that in some detail in the future.

I have to say that if there is a single group in our society that has not been treated well by previous ministers and governments, it is the group of injured workers across this province. I, for one, was extremely happy to see them mobilize, to hear them say they were going to take stock and have some input into the system, because I believe it is only by improving the way in which we treat injured workers across this province that we will be able to justify the work we are doing in the Legislature.

Again, I am horrified by a government that chooses to exempt medical doctors from the wage restraint program at the same time as it says workers must be brought in under the legislation. I am not happy with the amount of the increase, and I am looking with great interest to the day when we will be able to say that workmen's compensation in Ontario is functioning in such a way as to be a model for other jurisdictions across Canada. I see that as a long time in the future.

I thank the minister for bringing this legislation forward. Although it is certainly not living up to our expectations and those of workers across this province, I think it shows his good intent and I am very happy to support it.

I might add only the small proviso that I hope the people who do work very hard at the Workmen's Compensation Board, and indeed we have had tremendous co-operation from a number of them, will be able to get these cheques out as soon as possible so that some of the workers may be able to enjoy the fruits of our labours here in the Legislature in the very near future.

Mr. Haggerty: Mr. Speaker, I want to address Bill 205, An Act to amend the Workmen's Compensation Act.

As other members have indicated, the nine per cent increase is welcome. I just had to pay a wager to my colleague the member for Windsor-Sandwich. We had made a wager that the increase in the compensation in the act would be about five per cent. I was partially right, because I said it would be within the provincial guidelines. The minister has chosen the high figure of nine per cent; so it is within the guidelines of the provincial government of nine and five per cent.

As has been indicated by other speakers, it has been 18 months since the last increase was given to workmen on compensation. Even then it was below the level of other incomes gener-

ated in the general public. I suggest it is not large enough even now.

I regret that I missed the minister's opening statement today. I was appearing at an appeal to the Workmen's Compensation Board. I looked at some of the amendments that would be coming forward here and particularly those related to survivor's benefits.

My appeal to the Workmen's Compensation Board this afternoon related to a person who had been employed in the nickel industry and who had contracted an industrial disease. The medical facts were that he had carcinoma of the lung. Although he had retired from the industry at the age of about 65, because of the latency and the period of exposure it had come to pass that he had to have surgery. It was discovered that he had to have part of a lobe removed. Perhaps the surgeons could not get at the whole tumour, because they just removed part of the lung and referred him for chemotherapy or radiation treatments. By that time his whole system had started to fail and other organs were affected with some further diseases.

In the appeal this afternoon, although the death certificate did relate the death to three different body organs, it did say the second major cause was obstructive lung disease. The word "silicosis" was mentioned in some of the reports, and I brought this to the attention of the board this afternoon.

5:10 p.m.

My point is that the original award given to the person who was injured was 30 per cent. It should have been given at 100 per cent, because the prognosis was not that good; it was known that the treatment would be perhaps only two years of the lifespan of that injured worker, but it was given a 30 per cent rating.

The widow, if I interpret the act correctly, is not allowed survivor's benefit; so my appeal to the board this afternoon was that the award should have been much higher than that.

I suggest that through amendments to the Workmen's Compensation Act, this area should be changed. Even at a 30 per cent award, for example, the pension would have amounted to about \$240 a month. If I look at that as seven per cent, because that is what they generate on the investment of that particular assessment to the industry, that could have been a \$35,000 or \$40,000 award.

All of a sudden he passes on, and there is nothing for the survivor. I find this in a number of cases. There is that fund set aside that he is entitled to. If he had taken full commutation at

the time after surgery, he would have had perhaps \$30,000 that they might have lived comfortably on. Now she is stripped of the largest part of the Canada pension plan, she is stripped of the company pension plan and she is stripped of workmen's compensation benefits.

I say to the Minister of Labour, this is an unjust procedure to follow in workmen's compensation. That is not the way I interpret the act. When the new legislation is introduced after the Weiler report, the white paper on it and the committee report to the Legislature, I hope there will be a preamble to each section of the act stating that there is a clear understanding by both parties who appear before the board of the intent of the legislation.

I believe the Ombudsman has made comments under clause 41(a) of the previous act and section 43 of the act now that there should be a clear interpretation. In fact, he suggested it should go to the Supreme Court of Ontario for the proper interpretation; but that is a lengthy process.

I suggest the minister has the authority now to bring in a clear interpretation under section 43 of the act. I think it is a must, because there are many persons who are affected by it. It surely reduces their source of income through an injury.

I bring these points to the attention of minister, because I make a number of appearances before the Workmen's Compensation Board and I think it is more of an adversary system today than it ever was before.

In my 15 years in the Ontario Legislature, I still think the best chairman of the board was Mr. Legge. He understood the problems of the system, and he had such a keen interest in it that he would be sitting at the appeal level, at the top level, whenever a person was making an appeal at that level.

The last two chairmen do not seem to have an interest in that part. I have written to the chairman about a truck driver who had six injuries. He is totally disabled. In fact, one doctor, a specialist in the area of rehabilitation, represented him on his behalf at the board with two and a half hours' testimony, and the board shot him right down.

I do not know what one has to do to get the message through to the board on some of these problem areas that exist. He went to a doctor down on Bay Street. I imagine if one talks of Bay Street, that is about the best there is in Ontario. The report that came back outlined the difficul-

ties this person had with the six injuries, and I think the board even turned that down.

I do not know what a person has to do. It has become such an adversary system today that doctors do not even want to be bothered filing reports to the Workmen's Compensation Board, because they are telling us that nobody wants to listen to them there. There is the time and delay in filing report after report. We have field officers going to doctors' offices and taking up their time, when information had been passed on to the board and it will not accept the doctor's report.

It is getting to the stage now where workers almost have to have a specialist to go before the board to give evidence and knock down what the doctor says. It seems the doctors at the board are arguing too much about what the family physician or even the specialist says. They say: "No, that is not good enough. This is my opinion."

It is getting to the point where the poor injured worker is caught between the two medical opinions that go forward. I suggest the minister should be looking at that, because it is a problem and too many injured workers are caught in it. I can tell the minister about cases where one doctor says, "You should have an operation," the next specialist says, "No, I do not think there is any benefit in that," and a third doctor gives an opinion, "You have nothing to lose." Yet there is no hope.

This is the nonsense that is going on down at the board. I wish, for God's sake, that somebody would get down there and go through the records or have the members go to the minister's office and explain some of these things in detail. We do not have the time today to do it, but it is a problem.

I brought this to the attention of the previous minister in 1978 through a resolution I put forward. The member for Algoma-Manitoulin (Mr. Lane) was present at the committee meeting and endorsed the resolution to revamp workmen's compensation. I regret that after three or four years and the Weiler report, we still do not have any changes in workmen's compensation.

This party always has taken the position that, regardless of where the accident happens, a person should be treated fairly by compensation. I had a problem brought to my attention the other day, for example, involving a person who had a recurrence of problems caused by an accident. He has had major heart surgery and is totally disabled now. He has had to go to family

benefits for some assistance. Last September he had to go back and have further operations on his hands to tie in the tendons. His hands are useless, and I do not know whether the operations are going to be successful.

He was awarded \$1,500 in round figures. The minute the cheque was delivered to him in Fort Erie, someone from the Ministry of Community and Social Services was there and took that cheque. Here is a person on a fixed income—Canada pension plan is about all he has—and the ministry took that cheque for \$1,500 and said he was not entitled to it.

That is right. The regulations under the Family Benefits Act say workmen's compensation is considered to be income. Yet people receiving family benefits allowance can go out and generate an extra \$125 a month on top of what they are getting. I see nothing wrong with this. I think it is good. It encourages them to go out to find a permanent job or to work themselves into a permanent job. But there is an area in the Family Benefits Act that says workmen's compensation is considered to be income.

I believe there was a recent decision not too long ago related to the Ontario Housing Corp. One of the Supreme Court judges said workmen's compensation benefits should not be considered as income because they are for personal injury. I suggest the minister should be talking to his colleague the Minister of Community and Social Services (Mr. Drea) about removing this provision from the Family Benefits Act.

I believe each case warrants a different approach. In this case, the ministry went in, grabbed the cheque and said: "You do not deserve that. That is not yours." Under the Ministry of Community and Social Services Act, I suggest they be permitted to generate about \$1,400 or \$1,600 a year. The ministry could just as well have given that cheque back to him and said, "We are going to prorate that back over the last 12 months."

In fact, the Ministry of Community and Social Services people even came in after he got his Canada pension plan benefits, took about \$2,000 out of the \$5,000 cheque and said, "Here, \$3,000 is yours." This is what goes on.

These people are in poverty at the beginning, and they are still at that level. Somewhere along the line the act should be changed, along with the Ministry of Community and Social Services Act, to make sure this does not happen.

5:20 p.m.

I could go on and on about problems that I have seen with workmen's compensation. In

fact, I wanted to appear before the select committee but I was told by the clerk that I could not appear before it because I had the opportunity to speak in the House.

I can tell of areas that should be corrected. There are problems there. I think one of the main problems is that they should start looking for a new chairman down there, somebody who is going to show some interest in workmen's compensation.

I have never had to say this before, but I think they have a lame duck chairman there who cares little about the injured workmen. It was a political appointment from the beginning and I think it is time they went out and got somebody else to do the job that he should be doing.

I have written letters and I have got to the stage where I have been so disgusted and frustrated with the actions and the decisions of the board that I referred them to the chairman and have told him to get off his good intentions and do something. I do not think the approach taken in many cases is right. In many cases, the act should be amended.

I suggest that when a new act comes in, let us put a preamble before each clause in there that there is an understanding between the two parties involved that there are no ifs, buts, maybes or shalls. It should be in there that the directions that the board should follow are clearly understood. In many cases, the board has a different interpretation of the act from the intent when it was introduced in the House by previous Ministers of Labour.

I suggest it is a serious problem and I know they are as concerned about it as I am. I appreciate that, but it is too bad that as late in the session as this we get amendments to the act being cut off in a sense, they are almost being muzzled because the time does not permit us to get into the act in detail on amendments. We do support the amendments put forward by the New Democratic Party.

I raised that question a week or two ago. I was concerned about it. I think he was right when he said that, "Because of the filibuster that is going on in the Legislature, I do not know when I am going to introduce the bill." I know the minister was concerned about it. He said he was ready to introduce the bill in the House, and of course it is like other priorities to put forward here in the House.

There is another good bill here, Bill 178, An Act to amend the Pension Benefits Act. Hopefully, the government will be debating that in this session, because there are some good

amendments in there that are going to protect the persons in receipt of pension benefits, particularly those in a number of industries that have gone down and are in receivership or bankruptcy. The act will provide some security to those persons who contribute to the plan.

There has been a filibuster that has been carried on by the NDP since September 21, but this surely does indicate that there is other important legislation that should be dealt with in this session. Hopefully, we will have the opportunity to debate the bill in more detail.

I will tell the members that this late in this session we do not really have time to get into these bills in full detail and to debate some of the main issues that are facing the injured workers in particular.

Hopefully, the committee will be reporting, and the other white paper report on the Weiler report should be before the committee now so that next year we can come up with a new Workmen's Compensation Act that would consider Canada pension and other benefits that will provide sufficient income.

It is great to have the Premier (Mr. Davis) sitting over there. Maybe the message will get through to him too.

I suggest that we support the bill in principle. Again, though, it does not go quite far enough. I think that for these persons who are 18 months behind in income, it is not high enough. There are areas there that should be discussed in detail, and I just do not have the time to do it. I have been told I should not be talking too long.

We do support the bill and support the amendments put forward by the third party.

Mr. Bradley: Mr. Speaker, speaking in favour of Bill 205, I think there is one issue that comes to the attention of individual members on a most frequent basis as they represent their constituencies. I think everyone would agree that it would probably be problems that are encountered with the Workmen's Compensation Board; specifically, those who are unable to obtain payment in their specific cases. Looking at it in a broader context, the number of people who would come forward to indicate their concern to us about the level of compensation provided within the act is also rather great.

With some of the greatest hardship stories we hear as individuals, particularly when we have a circumstance where there is relatively high unemployment in the province and in special parts of the province, we have a situation where, because of inflation and the effects of inflation on this group of people, they are not going to be

able to obtain additional assistance from other areas.

From time to time, they have the opportunity to apply for social services and the assistance that can be provided there, but in some cases, and I think probably in most cases, there is a requirement that they pay them back. They have the opportunity, and they do not enjoy this, to have the amount deducted on a monthly or weekly basis, or whenever they happen to be receiving their cheques. That makes it difficult for this group in society, which is most vulnerable.

There is also their dependence. With others, I suppose once in a while there is an opportunity to go out and gain some additional part-time employment because they are physically able to do so. It may not be their first choice by any means, but nevertheless it is a choice they would have to make.

However, those who encounter difficulties with injuries and are unable because of injuries to seek the additional funding which would come from a part-time job, find themselves completely dependent on the largess of the provincial government through the act which has been known as the Workmen's Compensation Act and is now to be known as the Workers' Compensation Act.

We certainly support the additional funding that is going to be made available to these people. It is desirable they have more money. It would be desirable that many people in our society would have more money available to them, particularly those who are most vulnerable, but this is a step in the right direction.

I think most members of the House regret, and I would anticipate many members on the government side regret, that this legislation was unable to come forward earlier. In my view, it should have taken precedence over certain other items because these people are in need if we look at the people we represent in our constituencies. It is as good as a Christmas present to see this bill being brought forward. It is good to see that it is not simply on the one amount, but is on a number of various items where the government is prepared to increase the amount that is allocated.

I think most particularly of people who have lost limbs. I notice that in section 10 it mentions the allowance for the repair and replacement of clothing worn or damaged by a lower limb prosthesis or a back brace is increased from \$209 to \$316, and by an upper limb prosthesis from \$145 to \$158. That does not affect a lot of

people in Ontario, but for those it does affect it is very meaningful to them.

We in this party are prepared to support this change in the act the minister has brought forward. We commend him on bringing it forward. We will be supporting amendments that will attempt to improve the legislation. The people in our constituencies who have called us on many occasions about this will have at least a flicker of good news for the Christmas season in what is a difficult and hard winter.

Mr. Mancini: Mr. Speaker, I would like to make some comments concerning the matter before the House at this time, specifically the bill to increase pensions for injured workers in Ontario. The minister has called for a nine per cent increase. Certainly none of the members of the Legislature, including myself, would in any way want to hinder the process or the speedy passage of this legislation, because we believe that the injured workers are more than deserving of this nine per cent increase.

5:30 p.m.

Possibly the legislation could have been introduced some time ago, but I was told that in my absence there was quite a bit of debate on another important bill. I do not want to open up a can of worms about whether the stalling tactics on that bill were appropriate or not. I would like to keep my comments strictly to the matter that appears before us today.

Like myself and all the other members of the Legislature, I am sure even the Premier has injured workers visit his constituency office to explain to him or his staff the difficulties they are encountering in the system; difficulties with the way appeals are handled, the way representation is made on behalf of injured workers and with the amount of time that appears to be necessary for appeals to be heard. I would like to zero in on some of those concerns.

I would like, first, to express my concern about the pension system itself that the board has established through legislation and, I guess, by precedent-setting decisions made by the appeals tribunal of the Workmen's Compensation Board.

As you know, Mr. Speaker, after they have exhausted all other avenues, injured workers have the privilege of making a final appeal to the appeals tribunal where a three-person panel is appointed to hear the case as it has been reviewed for them and to hear any extenuating circumstances that the claims review branch or

the adjudicator may not have taken into consideration.

I would like to say to the minister, I realize that when negative decisions are handed out and there is an appeal possible, the persons receiving such a decision will always avail themselves of any recourse to appeal that is left to them. So I understand the logistical problem the board faces. Thousands of workers have had negative decisions rendered against them and, of course, with the final appeal available to them, one would be foolish to think they would not use it. So the situation has reached a point such that even the applying and waiting for a hearing date has become extremely cumbersome.

I have had dozens of situations where it takes not weeks but months to get before the appeal tribunal. It is very disconcerting, not only to myself as the member, but particularly to the injured workers who have to go through the extremely long waiting period. This is so for several reasons. If the injured worker has been ruled against, it possibly means there is no money coming in from any source at all. Or it may be that surgery is necessary to correct an injury and the injured worker is not sure whether he should go ahead and allow surgery to take place or to wait out the final stages of the appeal process.

Frankly, the time frame that is now used to hear these final appeals is such that the evidence it is necessary to give at these hearings becomes blurred. People's memories become blurred; the witnesses to the injury may have moved to a different part of Ontario or out of the province; they may have moved on to a different job; they may have lost contact with the injured worker. Any number of things could have happened.

I know the minister has the authority to appoint people who sit on these tribunals, and I am sure there is no deliberate effort—at least I hope not—to slow the process down to the snail's pace at which it now moves. But surely something has to be done. It is just not right or proper any more to force injured workers to wait for months.

It is very difficult as a member to explain to an injured worker who finds himself in this situation that the application for appeal has been made and maybe we will hear the case in three to six months. It is just incredible from the injured workers' point of view. It gives them the impression that the system is deliberately working against them. It gives them the impression that people are concerned for workers when they are physically able to work, and that when

they are no longer physically able, society is just not all that concerned for them.

I believe that in many instances it affects the personality, the nature and the general lifestyle of the injured worker. The system causes problems not only for the injured worker himself but also for the injured worker's family, for his relatives and for people he touches, and it has a far greater impact than some of us may acknowledge.

I have seen this happen. I have regretted it many times as I have watched these cases move along like this. But we all know that as members of the Legislature it is impossible to get these hearings any sooner. I would like to ask the Minister of Labour if it is possible to get these hearings sooner; if, for some unknown reasons, it is the way members are going about it that is causing the slowdown, I would like him to tell us, because I want to ensure a speedy hearing for the injured workers I represent and for the injured workers collectively across Ontario.

The matter of pension decisions has troubled me since the first day I was elected to the Legislature, when I had the opportunity to sit through the Workmen's Compensation Board estimates. I found that most members were experiencing the same problems I was and still am, and they are the amount of pension award, the problems it causes and the things that possibly could be done but are done either in a halfhearted way or not at all as to the assistance that could be given to the injured workers.

I speak specifically of the partial disability award. It is just ridiculous for us to assume that by granting injured workers a 20 per cent award we have done our duty, and we can wash our hands of the situation and they will then be able to look after themselves. It is just ridiculous.

5:40 p.m.

An industrial worker is prone to injury when he is required to do heavy manual labour as part of his normal duties. When the injuries become a chronic problem, which they usually do, those workers cannot go back to their job no matter what the company, or how good the injured worker's record is or how determined the worker is. They cannot go back because they can no longer do the job.

I have gone to the workmen's compensation estimates. I have gone before the appeals tribunal. I have explained these problems, and I am sure other members of the Legislature have. But we insist on doing the same things today as we did seven years ago—and I am sure many years before that.

We must come to grips with the problem of partially disabled workers. What are we going to do with injured workers who have been assigned a meagre disability payment, an amount of money that is almost laughable? We could not even expect a single person living in a rooming house to live on the amount of money granted to these injured workers. Yet the compensation board and the government that oversees the compensation board seems to feel not only that injured workers should be able to live on these pensions but that their families should be able to live on them too.

We are never going to solve the problem of injured workers in our province until we come to grips with that. So what options do we have in assisting injured workers who have been deemed to be partially disabled—workers who have been given a 15 per cent, 20 per cent or even 30 per cent pension? What else can we do, and what else should we do, for these injured workers when they are unable to return to their jobs?

I am sure these cases have been brought to you directly by injured workers in your own riding, Mr. Speaker. As you know, the managements of companies are not under any obligation to rehire those injured workers. They use the workers when they are healthy and the moment they get injured they are under no further obligation. What are we going to do for these workers? Are we going to retrain them? If we do, what is the best way to retrain them? Many of them are first-generation immigrants. Many of them have a limited background in formal education.

Mr. Breaugh: The member seems to have run out of things to say here.

Mr. Cooke: It is a filibuster.

Mr. Mancini: I guess the member for Windsor-Riverside would know what a filibuster is.

I have a long list I wanted to bring to the attention of the Legislature today, but I am informed we are under a severe time constraint. We have been under severe time constraint ever since the New Democratic Party laid siege to the Legislature and, with their stalling tactics, prevented anything from being done. They have limited my ability to speak on behalf of injured workers and I resent that. The injured workers of my riding will resent it.

In winding up, I would like to say to the minister that in no way have we had a proper opportunity today to lay before the Legislature and bring to its attention the problems that

affect workers in this province. We have not had a proper opportunity and we can thank the New Democratic Party for that. I hope at some time in the near future this matter concerning injured workers will appear before the House again and I will be able to finish my comments.

Hon. Mr. Ramsay: Mr. Speaker, I want to pay tribute to the various members who have participated in the debate today. They expressed some concerns that I believe are common to both sides of this House and are shared by all three parties. For that reason, I am looking forward to the report of the standing committee on resources development when it finishes its deliberations on the Weiler report. I am anxious that committee reconvene early in the new year and table its report as soon as possible.

I particularly want to pay tribute to the member for Dovercourt. I support what the member for Nickel Belt said about his dedication and the work he has done over the years in the field of injured workers, as have so many people on all sides of this Legislature.

I was disappointed in the comments made by the member for Erie (Mr. Haggerty) about the present chairman of the Workmen's Compensation Board and I must respectfully disagree with what he said. In the time I have been Minister of Labour I have found the chairman of the Workmen's Compensation Board has been very aggressive, innovative and concerned. He has played a major role in bringing forward change within the Workmen's Compensation Board.

One area the chairman has excelled in is a matter that was brought to our attention today by the member for Windsor-Walkerville (Mr. Newman), the gainful employment of injured workers. That is one area where the chairman of the Workmen's Compensation Board has done a most commendable job. He travelled around this province and was making great strides in that respect until, regrettably, the economy worsened and made this more difficult to do. That is just one of the measures he feels strongly about, as do I, and one he is determined to do something about.

I have to make a couple of comments about the references to the size of the increase because there is some inconsistency here. A few days ago, the member for Erie asked me in the House if I would be bringing in benefit increases in keeping with the current restraint program. In other words, he gave the impression he felt those increases should be commensurate with the restraint philosophy in this province. This bill will do that.

I would also refer the members to Hansard. I do not have the date, but during one of the debates and questions about benefit increases, the member for Downsview (Mr. Di Santo) indicated he felt 10.8 per cent was a reasonable figure. Perhaps I am quoting him out of context, but nevertheless it is there in Hansard that 10.8 per cent was suggested by the member for Downsview as a figure we should be looking at. So 10.8 per cent is a long way from 15 per cent though it is not a long way from nine per cent. It must be borne in mind that the increase was 10 per cent last time around and that these increases are tax free.

I would like to make the increases greater than they are. I say that most sincerely. I really wish they could be 15 per cent or 10.8 per cent, but nine per cent is the figure, as I explained in my opening remarks, that we felt was appropriate under these conditions.

The member for Hamilton Centre (Ms. Copps) referred to the injured workers demonstrating outside this building and said it was through their efforts that this legislation was finally brought through. I feel the injured workers deserve all the credit in the world for demonstrating and for constantly bringing their concerns to my attention. They do that quite articulately and regularly. Certainly it was a peaceful type of demonstration each Tuesday and Thursday outside the House and in this Legislature the other day. On that day probably the only person who was unruly was the Minister of Labour, but the injured workers were quite peaceful.

However, the point I wanted to make is that it really was not necessary for them to demonstrate—although I respect their right to demonstrate. I had assured them and their spokespersons on more than one occasion that the increases would be brought forward and certainly put in place before the Christmas recess.

Those are the only remarks I would like to make at this time. I am afraid I will be in estimates this evening and it will not be possible to—

Hon. Mr. Wells: The parliamentary assistant will be here.

Hon. Mr. Ramsay: I have been told the parliamentary assistant will handle a portion of the legislation this evening.

Motion agreed to.

Ordered for committee of the whole House.

House in committee of the whole.

WORKMEN'S COMPENSATION
AMENDMENT ACT

Consideration of Bill 205, An Act to amend the Workmen's Compensation Act.

Mr. Chairman: What is the pleasure of the House? Are we going to continue?

Mr. Lupusella: If I may, Mr. Chairman, I have a series of amendments I would like to send to you for your information.

Mr. Chairman: Please do.

Mr. Lupusella: I have sent another copy to the minister and to the official opposition.

Mr. Chairman: On what section is the first amendment?

Mr. Lupusella: We are dealing with section 4.

Mr. Chairman: Are there any other comments prior to section 4?

Sections 1 to 3 agreed to.

On section 4:

Mr. Chairman: Mr. Lupusella moves that section 36(1) of the act as set out in clause 4(1)(a) of the bill be amended by striking out "\$1,300" and substituting "\$2,000"; in clause 4(1)(c), striking out "\$537" and substituting "\$570"; in clause 4(1)(d), striking out "\$537," "\$149" and "\$167" and substituting respectively "\$570," "\$158" and "\$177"; in clause 4(1)(e), striking out "\$167" and substituting "\$177"; in clause 4(1)(f), striking out "\$537" and substituting "\$570."

Mr. Lupusella: Mr. Chairman, I would like to make a few remarks in relation to this motion. As I stated in my opening remarks, this motion was moved previously by my colleague the member for Nickel Belt (Mr. Laughren) on June 30, 1980. Of course, the amendments were defeated by the Conservatives. Generally speaking what I am trying to emphasize in this motion is that the amendment sets out a scale of

compensation to be paid where an injury results in death.

This amendment increases the amount payable for burial allowance to \$2,000, to a dependent widow or widower \$507 per month, to children of a dependent widow or widower \$158 per month, and to dependent children \$177 per month. What we are doing in this motion is escalating the allowances already provided in the bill introduced by the Minister of Labour (Mr. Ramsay). The only difference is that instead of nine per cent, we increase the percentage to 15 per cent as of July 1, 1982.

It is necessary to do so because dependent widows or widowers are really living in a state of poverty. Their total annual income is below the poverty line, and there is a great necessity to increase the monthly pension, based on the fact that the family breadwinner passed away in an accident and may have left dependent children who are in great need. We are trying to increase the monthly pension of a widow or widower, and also to give an opportunity to the children to be educated in the years to come. There is an urgent need to increase the annual income from pensions for survivors of people who passed away as a result of an injury. Their families should not suffer the consequences of that.

The other point I would like to raise is, if a person dies as a result of an automobile accident, I am sure the total amount of money the family will receive is far above the figure provided by the Workmen's Compensation Board. We do not want to see in Ontario, families suffering the consequences of an accidental death as a result of an injury that took place at work.

So I am urging members of the Legislature to support the motion.

The House recessed at 6 p.m.

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No. 177

Ontario, LEGISLATIVE ASSEMBLY

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Thursday, December 16, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Thursday, December 16, 1982

The House resumed at 8 p.m.

House in committee of the whole.

WORKMEN'S COMPENSATION AMENDMENT ACT (continued)

Resuming consideration of Bill 205, An Act to amend the Workmen's Compensation Act.

Mr. Brandt: Mr. Chairman, I look forward to participating in the discussion of amendments to the Workmen's Compensation Act. There are a couple of mechanical matters we could clear up before we get started. I would like the permission of the chair to move—

Mr. Stokes: Yes, you can sit in the front seat.

Mr. Brandt: I thank the member for Lake Nipigon very much. I would like to move to the front seat.

The Deputy Chairman: The House would be graciously pleased, I am sure.

Mr. Brandt: The second item I wish to address to you, sir, is to have the staff accompany me in the front.

The Deputy Chairman: Is that agreed? Agreed.

Mr. Brandt: Thank you, Mr. Chairman.

Before I leave my position here, I want to mention to all the members who are in attendance tonight that the minister is unable to be here because he is participating in the consideration of the estimates of the Ministry of Labour. He offers his apologies. As his parliamentary assistant, I will be working with members to see whether we can expedite this very important series of amendments. With their co-operation, we will proceed.

The Deputy Chairman: The amendment we are considering is one proposed by the member for Dovercourt (Mr. Lupusella) to subsection 36(1) of the act as set out in clause 4(1)(a) of the bill. Is there a need to repeat the amendment?

Mr. Nixon: Mr. Chairman, before you put the amendment, I just want to say that the critic of the Ministry of Labour from our party is also attending the estimates, which are just beginning in another place at this time; so my colleagues and I have the rare and unexpected honour of representing our party as these important amendments are put before us.

I have carefully reviewed them and see that the design of each one of them is to enrich the value and importance of the additional payments. Naturally we will wholeheartedly support them as they come forward. It may be that these few remarks will suffice for our party as these various amendments are debated. I hope that is the case; but, of course, I will be standing ready, willing and able to participate in a lengthier and perhaps fuller way if that is required.

Hon. Mr. Ashe: Mr. Chairman, I find it very disconcerting that a party that last night could vote for nine and five could stand up for 15 tonight.

Mr. Nixon: Mr. Chairman, I thought it might not be necessary to have a fuller participation, but we cannot allow the Minister of Revenue (Mr. Ashe), that Scrooge of the Tory party, to put his views unanswered.

The only reason there would be any indication that these payments would be larger than the five per cent we have been supporting right across the board is that the party he is supporting and the government of which he is a member have for so long kept these payments below the subsistence level. If there was ever an opportunity to improve this situation, this has to be it.

I have a good deal to say in this matter, and I will hold it in readiness in case the Minister of Revenue wants to participate more fully himself.

The Deputy Chairman: I thank the honourable member. So provocation is needed if you want to continue the debate?

All those in favour of Mr. Lupusella's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Vote stacked.

The Deputy Chairman: Mr. Lupusella moves that section 4 be amended by adding the following:

"(5) The said act is further amended by adding thereto the following section:

"'36a. Payments made pursuant to clauses 36(1)(a), (c), (d), (e) and (f) of the said act, as re-enacted by subsection (1) of this section, will be adjusted by adding thereto an additional six per cent of the compensation rate being paid, effective the first day of January 1983.'"

Mr. Lupusella: Mr. Chairman, I emphasize again the same principle, that what we need in the Workmen's Compensation Act is a mechanism or clause that will increase payments of pensions of injured workers every six months.

What we are claiming now with this proposed six per cent increase is to take into consideration a benefits increase as of January 1, 1983. This six per cent is particularly related to the principle of a 15 per cent increase as of July 1, 1981, and I urge the members of the Legislature to support this amendment.

Mr. Brandt: Mr. Chairman, by way of brief response, there are a series of amendments proposed here, all of which follow a very similar trend and direction, in that they are quite obviously enriching the proposals that have been put forward by the government.

I believe, if one were to look carefully at what is being proposed by the government, the figures are very close to the kinds of increases that have been experienced in terms of the cost of living, industrial wage indexes—

Mr. McClellan: Wrong.

Mr. Brandt: Let me finish. They are slightly below that, but really not all that much. They are very much in line. When one is talking about a basic principle in the context of what we recognize as an extremely difficult economy, the position of the government is simply that this is as good as can be expected at this time.

I think one has to recognize when one is putting forward these enrichments that somebody has to pay for them. They permeate the entire economic system. The people who have to pay for them have to be recognized as well as those who are going to be recipients of the benefits.

8:10 p.m.

Mr. McClellan: Who is going to pay? The injured workers, or somebody else?

Mr. Brandt: I suggest to the member it is not quite that simple. In the view of the government, this is as far as we are prepared to go, or able to go, at this time.

Mr. Sweeney: Mr. Chairman, perhaps the parliamentary assistant could go back and review the words he just used, to the effect that the increases proposed here are in line with what other people in our society are having to accept and have accepted over the past few years.

If the injured workers in Ontario were starting from a base that was comparable to what other people in society had been getting, I could totally agree with the parliamentary assistant.

But the point that was made prior to the dinner recess, as I am sure he will recall, was that the injured workers in Ontario are not starting from a comparable base. That is why we have taken the position that the kinds of increases we are talking about now cannot be considered in the same vein at all.

I suggest to the parliamentary assistant that his argument has that glaring fault in it. Surely he and the other members of the government will take that factor into consideration.

The Deputy Chairman: All those in favour of Mr. Lupusella's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Vote stacked.

On section 5:

The Deputy Chairman: Mr. Lupusella moves that subsection 36(6) of the act, as set out in subsection 5(1), be amended by striking out "\$1,300" and substituting "\$2,000."

Mr. Lupusella: Mr. Chairman, if I may, I want to address the principle of this section. Through the amendment provided by Bill 205, lump sum payments to the dependent spouse has been increased from \$1,200 to \$1,300. I think that such an increase is unfair and cruel, especially when we consider the principle that the breadwinner of the family passed away because of an accident in the work place.

We want to make sure that each dependant of the family, including the spouse, will not suffer as a result of that tragic accident. We want to make sure the lump sum payment to the dependent spouse will be increased to \$2,000. If I may say so, \$2,000 is a very conservative figure. The lump sum payment should be higher than that. I hope members of the Legislature will support this amendment.

The Deputy Chairman: All those in favour of Mr. Lupusella's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Vote stacked.

On section 6:

The Deputy Chairman: Mr. Lupusella moves that subsection 42(5) of the act, as set out in subsection 6(2), be amended by striking out "nine" and substituting "15."

Mr. Lupusella: Mr. Chairman, I do not have to elaborate on this amendment. It is a house-

keeping amendment; so I hope members will support it.

Mr. Brandt: Mr. Chairman, that is a rather expensive house the member over there is cleaning. The arguments that were used previously in response to a similar proposal in one of the earlier amendments stand again, that the enrichment being proposed is beyond the capacity of the people of Ontario to pay at this time.

Mr. Haggerty: Mr. Chairman, I am surprised the parliamentary assistant would take the stand that, based upon present economic conditions, the industry cannot afford to pay for it.

The cost is paid for by every consumer; it is a hidden cost in workmen's compensation, and I think the parliamentary assistant should lay that out. I do not think he is fooling us. Every consumer who pays for a product is paying for workmen's compensation. It is not a direct charge to the industry. They have a way to pass it on to the consumer.

I have heard this old saying for years now and I suggest, when one looks at the nine per cent that is offered in the bill, it has not been given for a year and a half, for 18 months. Actually all that has been given is the normal six per cent, plus three per cent for the last six months; so we are looking at nine per cent within the guidelines.

It may be a year or 18 months down the road before they get another increase; so for the coming year we are actually looking at a retroactive adjustment, not a current adjustment. That is the problem with the workmen's compensation benefits; they do not deal with the current month or year but go back 18 months.

Nothing was given to them for that period of time; so actually it is not even a catch-up but, rather, it is behind. I resent the parliamentary assistant's comment that this is all the traffic will bear at this time. It should be higher than that. It should be taken into consideration that within the guidelines there should be at least nine per cent plus the five per cent in January.

Mr. Di Santo: Mr. Chairman, I did not intend to speak on this amendment until I heard the member for Sarnia (Mr. Brandt), who sat on the select committee and who by this time should know what we are talking about.

For him to suggest that increasing the benefits for injured workers by 15 per cent is a very expensive proposition is preposterous, because the same honourable member and his caucus accepted a much more expensive proposition when the fees for the doctors were increased.

If we have to judge how expensive this proposition is, we should see where the money comes from and how much the injured workers have been getting until now. If the member does that small calculation in his small mind, he will realize that in the past several years the purchasing power of the injured workers' benefits has decreased substantially. We have documented how the cost of living, the average industrial wage and the consumer price index have increased at much higher rates than the benefits for the injured workers.

What my colleague the member for Dovercourt (Mr. Lupusella) is proposing now is only an adjustment. Professor Weiler wrote in his report that it is not an increase of the benefits. If the member for Sarnia sat all summer on the committee, he must have read the report. This is an adjustment for what the workers lost, not an increase in their benefits.

I do not think the government has a very qualified spokesman on this occasion, but I hope the other members on the Conservative benches will realize that what we are proposing is nothing extravagant. It is just a small remedy for the lack of action of the government in past years.

8:20 p.m.

The Deputy Chairman: All those in favour of the motion will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Vote stacked.

The Deputy Chairman: Mr. Lupusella moves that subsection 43(8) of the act, as set out in section 7, be amended by striking out "nine" and substituting "15."

Mr. Lupusella: Mr. Chairman, I feel obliged to raise a few points on that section, because it is really important. When I said it was a house-keeping amendment, I said so on the basis that I elaborated that principle in my opening statement.

I want to refresh the mind of the parliamentary assistant by stating that the investments of the Workmen's Compensation Board for the year ending December 1982 will be \$1.6 billion. All the money is invested in long-term bonds, with \$400 million in mortgages guaranteed by Canada Mortgage and Housing Corp.—I am wondering why mortgages are skyrocketing—and \$200 million in short-term securities.

In talking about that amount of money, I am not calculating the total revenue of money that comes into the funds of the Workmen's Com-

pensation Board on an annual basis, I am making particular reference to the amount of money that is paid by the employers of Ontario.

If the parliamentary assistant is convinced the board does not have the money or the capital invested to give to injured workers, I think he is completely wrong. He is completely wrong because injured workers have been suffering for years as a result of accidents. I stated that emotional problems have developed as a result of accidents and that members of the family suffer the consequences of them.

In view of that, as my colleague the member for Downsview (Mr. Di Santo) said, the position not to give money to injured workers is completely wrong.

I remind the parliamentary assistant that maybe next year or in two years' time, and I hope it is not that long, new increases are going to take place. What we are doing with this amendment and others is taking into consideration the needs of injured workers across Ontario.

I stated in my opening statement that the nine per cent increase is cruel. Fifteen per cent reflects the cost-of-living increase since the last increase, which took place on June 30, 1981. I hope the parliamentary assistant will take into consideration this principle and will support the amendment.

Mr. Brandt: Mr. Chairman, I want to respond about the large war chest the member suggested was available. It should be recognized that whatever increases or benefits are enhanced with respect to the WCB have to relate to some form of pass-through cost. It is going to cost somebody some money, quite obviously.

The member for Erie (Mr. Haggerty) suggested I was putting the blame directly on industry, that industry was going to be responsible for paying this cost. There are times when I may have a flawed memory, but this is not one of them. I distinctly said it was the people of Ontario who ultimately paid for that, the consumers and the people who purchase the goods, because that is reflected in the cost of the product.

I understand the concern of the members of the third party with respect to the injured workers, and that is why I remind the members on the government side that there is a retroactivity clause in this bill which takes it back to July 1. If one looks carefully at the figures and covers the retroactive aspect of the bill, one sees that it does bring the increases very close to the

cost of living that the third party seems to be so concerned about.

When people in the work force are required to take substantially lower increases than what is being proposed here, I know that members of the third party are intelligent enough to come to the conclusion that this is humane, sensitive and responsible legislation that is being proposed.

Mr. Wildman: Mr. Chairman, the point being made by my colleague the member for Downsview is, who pays? The company or the injured worker? The parliamentary assistant has said that because his government is unwilling to provide for an increase that is anything like a cost-of-living increase since the last increase, the injured workers must make up the difference. That is the point.

The Deputy Chairman: All those in favour of Mr. Lupusella's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Vote stacked.

On section 8:

The Deputy Chairman: Mr. Lupusella moves that section 44 of the act, as set out in subsection 8(1), be amended by striking out clauses (a) and (b) and substituting the following:

"(a) for temporary total disability,

"(i) \$180 a week, where the worker's average earnings were not less than \$180 a week, from the first day of July 1982, and \$191 a week, where the worker's average earnings were not less than \$191 a week, from the first day of January 1983, and

"(ii) the amount of the worker's earnings, where the worker's average earnings are less than \$180 a week, from the first day of July 1982, and the amount of the worker's earnings, where the worker's average earnings are less than \$191 a week, from the first day of January 1983,

"and for temporary partial disability, a proportionate amount in accordance with the impairment of earning capacity; and

"(b) for permanent disability, the pension computed in accordance with sections 43 and 45, but the amount of such pension shall not be less than,

"(i) for permanent total disability, \$793 a month from the first day of July 1982 and \$840 from the first day of January 1983, and

"(ii) for permanent partial disability, an amount proportionate to that mentioned in subclause (i)

in accordance with the impairment of earning capacity.”

Mr. Lupusella: Mr. Chairman, what we are saying in this section is that the minimum amount of compensation payable for temporary total disability should be increased from \$156 per week to \$180 per week effective July 1, 1982, and \$191 per week effective January 1, 1983.

Second, the minimum amount payable for permanent total disability should be increased from \$686 per month to \$793 per month from July 1, 1982, and to \$840 per month from January 1, 1983. The increases would be 15 per cent as of July 1, 1982, and an additional six per cent as of January 1, 1983.

8:30 p.m.

Again, perhaps I can spell out the principle that is contained in this section, in particular the minimum amount of compensation payable for temporary total disability, which must be increased from \$156 per week to \$180 per week. I think we should be extremely concerned about the number of workers who are working for the minimum wage of \$3.50 per hour in Ontario. People are getting injured, and they are subsequently getting a lower amount of weekly benefits from the Workmen's Compensation Board.

What happens as a result of that, in case the parliamentary assistant is not aware of it, is that if a person becomes partially disabled with a permanent partial disability, the amount of pension the injured worker gets is minimal. In that case, especially for people who have a range of disability between one per cent and 10 per cent, the Workmen's Compensation Board is paying the total amount of money in the form of a lump sum. Of course, injured workers with a minimum amount of weekly earnings in Ontario are going to suffer the most, because the amount of money received from the WCB is extremely low.

The other principle incorporated in this section is to increase the payment by 15 per cent as of July 1, 1982, and an additional six per cent as of January 1, 1983, for people who are receiving permanent total disability. So we are claiming that the pensions of injured workers with a permanent total disability should be increased from \$686 per month to \$793 per month from July 1, 1982, and to \$840 per month from January 1, 1983.

Mr. Chairman: All in favour of the proposed amendment will please say “aye.”

All those opposed will please say “nay.”

In my opinion the nays have it.

Vote stacked.

Mr. Chairman: Mr. Lupusella moves that section 8 of the bill be amended by adding the following subsection:

“(3) The said act is further amended by adding thereto the following section:

“44(a) The amounts payable as compensation under this part shall be adjusted on the first day of January and the first day of July in each year by percentage amounts equal to the percentage increase in the average industrial wage for Ontario during the preceding six-month period as indicated by the Industrial Composite Average Weekly Wages and Salaries for Ontario published by Statistics Canada and the initial adjustments shall reflect the percentage increase in the average industrial wage since the first day of January 1983.”

Mr. Lupusella: Mr. Chairman, the principle involved in this section is that this amendment provides for the automatic adjustment of compensation to be based on changes in the average industrial wage and to be adjusted every six months beginning with an adjustment effective July 1, 1983, which will be based on the increase in the average industrial wage in the six months beginning January 1, 1983.

We are talking about indexing injured workers' pensions to the increase in the cost of living. In the opening remarks and through several critiques of the Workmen's Compensation Board in committee and in the Legislature, I think many members expressed concern about indexing injured workers' pensions to the cost of living increase.

This section is very important, because if the government agrees to accept it we will not be faced again with having to raise questions in relation to WCB increases. Its acceptance will also mean that injured workers in Ontario, particularly their organizations here in Toronto, will no longer have to demonstrate at Queen's Park to have changes made in the level of their pension benefits.

I hope the parliamentary assistant will convey the message to the Minister of Labour (Mr. Ramsay) so that this section will be accepted.

Mr. Chairman: All those in favour of Mr. Lupusella's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Vote stacked.

On section 9:

Mr. Chairman: Mr. Lupusella moves that subsection 45(1) of the act as set out in subsection 9(1) of the bill be amended by striking out "\$24,200" and substituting therefor "\$45,000."

Mr. Lupusella: Mr. Chairman, the principle is clear cut in that section. What we are trying to do is to make sure that the earnings ceiling is increased from \$22,200 to \$45,000.

We are not the first to propose and support this principle, because it is a recommendation which was made by Professor Weiler. I really do not understand why the government side rejects this measure, which would offer some relief in the weekly benefits of workers who are injured after the passage of this bill.

What we are trying to do in this section is to make sure that injured workers in Ontario achieve a level of benefits which will ensure that they do not live in poverty. We are already convinced that the total amount of money which they now receive puts them below the poverty line in Canada and this amendment is to make sure that their status will be greatly improved.

Mr. Chairman: All those in favour of Mr. Lupusella's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Vote stacked.

On section 10:

Mr. Chairman: Mr. Lupusella moves that clause 52(3)(b) of the act as set out in subsection 10(1) of the bill be amended by striking out "\$316" and "\$158" and substituting respectively therefor "\$400" and "\$200."

8:40 p.m.

Mr. Lupusella: Mr. Chairman, if I may speak on the principle of this section, again the figures we have been talking about are really reflecting a 15 per cent increase in the allowance for clothing worn out or damaged by a lower limb prosthesis or back brace, which must be increased from \$290 to \$400, and by an upper limb prosthesis, which should be increased from \$145 to \$200.

I hope the government will seriously consider the increase we are talking about because we are talking particularly about people who are

seriously injured. It is a small allowance which must be given to them to compensate in some way for the suffering they have been going through as a result of accidents.

Mr. Chairman: Is there any further discussion on this proposed amendment? None?

Mr. Stokes: Say something.

Mr. McClellan: Come on, Santa.

Mr. Brandt: I have already indicated the government's position on the proposed amendments.

Mr. Chairman: All those in favour of Mr. Lupusella's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Vote stacked.

Mr. McClellan: Mr. Chairman, I would like to make one very brief comment. I think it is very regrettable that the government has managed to impose the nine per cent from Bill 179 on the injured workers of Ontario. It is really something this government should be ashamed of. It is a disgrace. Regardless of all the debate we had on Bill 179, there is no excuse for imposing the nine per cent on the injured workers of Ontario for 1982 and 1983. I feel very bitter about that and so do my colleagues in this caucus.

Sections 11 to 15, inclusive, agreed to.

Mr. Chairman: Shall the bill be reported?

Mr. Stokes: You can't do that.

Mr. Chairman: Oh sorry, it is stacked.

Mr. Stokes: There is some outstanding business yet.

On motion by Hon. Mr. Ashe, the committee of the whole House reported progress.

ASSESSMENT AMENDMENT ACT

Hon. Mr. Ashe moved second reading of Bill 188, An Act to amend the Assessment Act.

The Acting Speaker (Mr. Robinson): Hon. Mr. Ashe has moved second reading of Bill—

Mr. Nixon: Bill 188.

The Acting Speaker: —188. Thank you, to the Liberal House leader.

Mr. Nixon: What would you do without us helping you?

Hon. Mr. Ashe: I don't know. I just said—

Mr. Conway: He will impale himself on that tie-clip.

Hon. Mr. Ashe: You should be so lucky. It is a shrinking Liberal dollar.

Mr. Speaker, when I introduced Bill 188 for

first reading on November 26, I made some explanatory comments which I would like to expand upon as we consider the bill in detail.

First, the bill is designed to strengthen the section 86 reassessment program and reinforce existing appeal provisions. The honourable members know that more than half of all of the municipalities in this province have been reassessed on a market value basis. Personally, I believe that to be a significant achievement. This accomplishment, coupled with the fact that the program is voluntary on the part of municipalities, emphasizes its worth.

With the concurrence of this Legislature, I intend to reinforce the program in the following manner. The first measure would provide for new pipeline rates in municipalities reassessed under the section 86 program. A similar provision is now contained in the Assessment Act for the updating of pipeline rates in municipalities and areas proclaimed and reassessed at full market value.

This new measure will ensure that pipeline assessment is on the same market value base year as all other property assessments within those municipalities reassessed under the section 86 program. This provision is not retroactive, but will have effect in the 1983 taxation year.

The second measure that I bring before the members this evening strengthens the section 86 program by clarifying—and I emphasize clarifying—the basis of comparison for assessments under appeal. The primary object of the section 86 program is to equalize assessments within property classes and not allow any assessment shift between property classes.

When a municipality is reassessed under the section 86 program, a regulation is made which specifies very clearly the various classes of property and the class percentages to be applied against the market value of the properties within each class. This method ensures fairness in assessment within property classes and prevents the severe tax shifts that would take place if the provision was not made.

Upon complaint or appeal, the courts and tribunals are directed by the existing legislation to compare similar real property in the vicinity in determining the fairness of the assessments under appeal. This new provision applies retroactively in section 86 municipalities by further directing the courts and tribunals in determining the value of a property under appeal that they shall not have reference to the assessments of properties in other classes as prescribed

under subsection 63(3). This measure will preserve the tax basis of section 86 municipalities by preventing any court-directed shifts from one property class to another.

The second major purpose of the bill is to defer full market value assessment for a further year by providing for the return of assessment rolls from municipal taxation at present levels of assessment, except, of course, when a market value based reassessment has been introduced under the section 86 and section 70 programs.

Finally, the bill clarifies and strengthens certain administrative provisions in the act, it corrects the reference to the Ontario Unconditional Grants Act, repeals a reference to corporations assessment that is no longer relevant, introduces a new gas transmission pipeline rate and clarifies the business assessment provisions for public utilities.

This concludes my remarks on second reading debate for Bill 188.

Mr. Epp: Mr. Speaker, I am pleased to be able to speak to this bill because I have been waiting for some weeks for it to come up and we are glad to have it finally before us. I regret the fact, though, that we do not have more time to speak to it.

Although this might be regarded somewhat as a housekeeping bill because it postpones the assessment rolls for another year, it is anything but a housekeeping bill. It has very important implications for the municipalities in Ontario.

Hon. Mr. Ashe: Who said it was a housekeeping bill? I did not.

The Acting Speaker: Order.

Mr. Epp: Every year the government comes in with the postponement of the rolls. If one looks at the explanatory notes, one would think it is a very harmless bill that does not carry with it a lot of important implications; but if one looks at it very closely, there are some important things that should be looked at.

I am particularly interested in one matter. The minister indicated to me earlier, and he covered it partly today, the matter with respect to the pipelines and not making this retroactive. If one read the legislation one would think that it was going to be retroactive and some of the companies that have appeals before the courts at this time would be affected. As I understand it, they will not be affected, and those cases that are before the courts will be able to proceed on the basis they started out on.

8:50 p.m.

This is particularly important, because I got one letter from a company that shall remain nameless. It indicated it had encountered a problem with respect to being taxed on its field and gathering pipeline. The assessment rate per foot indicated in subsection 24(4) of the Assessment Act and the one that was used were very different. The company was somewhat confused because it thought it should follow the Assessment Act.

On further exploration of this problem, it found out that the new rate was a fair market value rate agreed upon by some of the larger corporations or gas developers in the province with the Ministry of Revenue. It was a smaller company and had not been informed of this new rate.

There was no legislation to use a revised assessment per foot, nor was there a gazetted equalization factor to correspond with that rate. The company concluded that the 1969 market value and the 1970 gazetted equalization were the legal numbers for pipeline assessments. When the company applied this to a particular township that its lines ran through, it found that although it was being taxed considerably over \$100,000 the actual assessment should have been between \$70,000 and \$90,000. So the company was being taxed in excess of \$50,000 more than it felt it should have been if it had been informed of the new figures that the ministry had agreed to with some larger gas pipeline developers, but not with the smaller ones.

As a result, the company took this case to court. It won at one municipal level, but now it has to take it to another level. Its appeal has come up, or will be coming up, and that is why it does not want this amendment to be retroactive, because it has been partly successful and wants to be successful in relation to another municipality.

Although the basis for real property assessment in Ontario is market value, in actual fact for several decades assessment has not been based upon market value. Prior to 1969, the function of assessing lands in Ontario was a municipal function with each municipality setting its own basis of assessment. The Department of Municipal Affairs offered assistance to local municipalities and assisted in reassessment programs. The bulk of the property in Ontario was assessed by use of various editions of a Department of Municipal Affairs manual of reproduction costs, which attempted to establish actual reproduction costs of a structure to a

base year premised upon 1954 construction costs.

Through the 1960s, various municipalities, including Windsor, Sarnia, Oshawa, Guelph and others, were reassessed to 1961 values, once again using a reproduction cost manual produced at that time by a private consulting firm. In 1968, the Ontario Court of Appeal, in rendering its decision relating to the Bank of Nova Scotia premises located at Bay and King streets in Toronto, directed that the existing system of assessment was basically intolerable and ruled that an equitable basis of assessment ought to be employed.

In the result, it became apparent that substantial reassessment programs were necessary throughout Ontario, and at the request of several municipalities which expressed a great concern with respect to the cost, the province then felt obligated to take over the assessment function and determined that this provincial takeover would be directed to reassessing at market value. This market value approach to the reassessment of the province became government policy at that time in the hope of establishing a consistent and equitable base for municipal taxation throughout Ontario.

By 1972, however, primarily because of rapid increase in the value of single-family dwellings in metropolitan areas in the province, the provincial government formed the opinion that the tax shift from commercial-industrial properties to residential properties which would result from a reassessment of market value, was politically intolerable.

In addition, the then Minister of Treasury, Economics and Intergovernmental Affairs, Mr. McKeough, with the assistance of persons in the ministry, formed the opinion that the data supplied by the Ministry of Revenue were not sufficiently accurate to enable reasonable tax policy decisions to be made.

Third, in 1974, which was to be the reassessment year—1975 was an election year, although there was a strong possibility it would be held in 1974—it was felt inappropriate to proceed with property tax reform and assessment reform.

Accordingly, legislation was enacted in 1974 to postpone the return of market value assessment in Ontario. The initial postponement was for a two-year period, projecting a return of market value assessment in 1976. By 1976, the government was in a minority position and at that time commenced an annual postponement of the rolls at market value.

As a result, we now have Bill 188, which

postpones the rolls at market value. The government has done this since 1974 and proceeds to do it on an annual basis.

This bill is somewhat of a sleeper. I do not think the minister has indicated the kinds of implications that the bill has. I want to look at a few of these for a moment.

If we look back to 1970-71, there was a decision rendered in Ottawa concerning the municipality of Nepean. Judge Honeywell said at that time that for the purposes of assessment on residential properties one could compare town houses, high-rise apartments, single-family units, walkups, etc., put them in the same grouping, in the same hamper, in the same class, all for the purposes of assessment in that class.

This went in the face of some of the evidence and some of the things that the government wanted to do, and certainly what the opposition would have liked to have seen. As a result, the government brought in section 90 to clarify this section and consequently we have certain precedents established which indicate that the classifications, the divisions the government had established, should be ensured and should be supported.

In a very recent case in the Ottawa area, Judge Cornish indicated that these various things could be grouped together. He ignored section 90 and grouped together two matters which should have been in different classes. I understand this has brought about section 5 in Bill 188.

If we look at section 5, we have to wonder whether the government has any faith in the system itself, because even government counsel have indicated that if they appeal the decision of Judge Cornish they will win that case.

If the government really had confidence in the system that has been established over the years, confidence in its own counsel, confidence in the assessments that have been done over the years, it would not have brought in this section.

If there was ever an admission by a government that it does not have confidence in its system, I would draw attention to this section. Its own counsel, the municipality, the people, and 10 years of precedents have indicated they would win if this decision was appealed, and I think that is what they will do. Maybe with this legislation they will not even bother to appeal, but the fact is the government would win.

9 p.m.

Yet they bring in this legislation because they do not have confidence in their assessors. I

regret that very much, because there are a lot of good assessors in the province, a lot of dedicated, hardworking, open-minded people who want to do the best they can for their province and for the people of Ontario. Yet the government does not have confidence in them. They think, for instance, that because one judge in one single instance has crossed classes it is going to mean that other judges will do the same thing. But if you look at the precedents, there is no need to believe that.

Section 5, particularly in the latter part, draws our attention to another thing. I plan, of course, to bring in an amendment to help clarify it. The government is now indicating it does not have faith in the classification system. The last three lines in this section say, "and the inclusion of real property within a class so prescribed does not indicate that such property is similar to other real property in that class."

If you were to accept the classification system, you would say that if you have certain guidelines drawn up for commercial, industrial or residential assessment, you compare a particular property—let's say a home valued at \$100,000—in that classification against certain guidelines that you establish. You should be able then to assess that house on the basis of the criteria you have established in that class. That is the basis of subsection 86(3) or subsection 63(6); you have classification and you can compare your property with the guidelines developed in that particular section.

What the government is saying in this section is that it does not have confidence in the classification. It now wants to be able to compare the property with other properties in that classification. So if I have a property, I appeal my assessment and the property happens to be sold for \$100,000 in an arm's-length sale, then the ministry will come in and say: "We don't accept the arm's-length sale. We compare it with X property, Y property and Z property." They can compare it with these various properties, which may not have been developed on a very good, rational basis; yet the government says those are the properties to compare it with and those are the things to accept.

As a result of this, odd as it may seem, with that section we have reverted back to where we were a number of years ago. The classification system is out and we are now comparing one property with another, something we did years ago and something that Darcy McKeough and all the others said they wanted to avoid.

We spent hundreds of millions of dollars. I

think, in fact, the Ministry of Revenue has spent about \$1 billion in the last few years trying to bring in some form of market value assessment. Even the computer they use is charged against the Ministry of Government Services, and they do not pay for the computer under their estimates. So whereas they use the computer a great deal those costs are not attributed to that ministry.

The government has 32 assessment regions in the province, as I understand it, and each of them has a commissioner. If you have an important piece of property that is assessed and you appeal it and win your appeal, the government obviously has the right to challenge it in court, and they often do. The interesting thing about this is that when you have a property that maybe is assessed for \$100,000, and you pay maybe \$1,500 or \$1,000 in taxes, then the small property owner can appeal it, but because he is financially strapped and because the assessment appeal may make a difference of only \$100 he does not appeal it. As a result he goes ahead and pays the taxes instead of hiring a lawyer and appealing.

For a large corporation an appeal may make a difference of \$500,000 or \$1 million over one year or a period of years, so the large corporations appeal their assessments. They are able to hire the very able lawyers who are available in the province and they often get their assessments reduced.

Of course, as was indicated to me in a letter, if the ministry thinks they are going to lose the case, they call up a company and say, "We will make a deal with you." Since it may be more profitable to make a deal, they often make deals with the various companies. If the Minister of Revenue thinks this is hilarious he should check with his assessors, because they are making deals every day of the year with large corporations and sometimes with smaller companies in order to avoid going through the courts.

When the 32 regions in the province were established a field office was established, I think about five years ago, and the field office was supposed to bring a certain expertise to the regions, a certain uniformity. They were supposed to draw up standards, they were supposed to provide some direction and they were supposed to clarify some assessment instructions or regulations the ministry had put out. To do this the field office needed only nine people. But in the last five years that field organization has grown to somewhat over 50 people, I think. As a

result that cost has escalated considerably for the ministry.

Not only that, but the existence of this field office is a direct reflection on the lack of confidence in the various assessors, and that is unfortunate because I am sure the assessors out there are trying to do a very competent job. But it happened in one case in northern Ontario that an assessment was established by the local assessors for a particular commercial property. When they finished, the field office went in there and imposed their own assessment on that property. In the final analysis the morale of the local assessors was somewhat deflated, and understandably so. So we have this new case now in which the ministry, through its own field office, often imposes assessments on various local areas.

I want to indicate, too, that this incredible lack of confidence by the government in the assessment is not something I have dreamed up or anything of that nature. We have it on very good grounds that the ministry does not have a lot of faith in their system. I am looking for my notes on that matter and I will come to it.

The assessor swears when he becomes an assessor that he will make the best appraisal he can under the system, and he wants to stick by this appraisal.

Those who can afford to appeal, as I indicated, go ahead and appeal, and those who cannot afford it do not appeal. The system we are talking about should be one of fairness and equity and it should be simple. Yet the assessment system in Ontario is very confusing, and I doubt if you will find 100 people in the province who can really explain the system the way it is. The fact that it is so confusing is great for a number of lawyers, because they are very successful in getting appeals.

The minister before said "ha" when I said he did not have confidence in the system. I want to quote one of the arguments Mr. Bernie Chernos made at a hearing, "There is no confidence in the factor or determination of market value." As I understand it, he is a leading solicitor and consultant for the government of Ontario and he says he does not have any confidence in the factor or in the determination of market value in this province. He should know because he is trying to defend it almost on a daily basis in this province. If he does not have it, why should we have it.

9:10 p.m.

To review, we have before us a system that is

very misleading. I want to read the notice that was put out by the Ministry of Revenue. It says:

"Important, please read carefully. An open letter to all property owners and tenants in the city of Hamilton.

"Dear Sir or Madam:

"The enclosed assessment notice indicates your new equalized assessment as determined by the assessor"—it does not say a few other things which are indicated—"and as required under section 86 of the Assessment Act your 1979 taxes will be levied on this assessment.

"The following is the basis used to determine your new assessment:

"1. The market value for each property was established for the year 1975. Market value is what you might expect to realize for your property if you willingly sold it to a willing buyer. In the instance of farms actually used for farming purposes, market value is what you might, as a farmer, expect to realize were you to sell to another farmer who intends to use the land for farming purposes.

"2. The market value so established for each property has been adjusted by a factor. The factor for various classes of property ensures that tax shifts from one class of property to another do not occur."

We are talking about market value factors. What we are getting in this section is not market value assessment, factors and classification. We are saying we can discount all that and just compare it with two or three homes down the street.

The little guy is hurt by this legislation to some extent. By allowing only those who can hire a very able lawyer to appeal because they can afford those lawyers, we are hurting the little guy because he cannot afford the luxury of an appeal. We are back to pre-subsection 63(3) days.

We are pleased this is going to committee tomorrow. We wish there was more time for that, but I understand it will only go to committee for a few hours.

In my region of Waterloo, a number of municipalities are very concerned they are paying for regional services at a different level than other municipalities. They are also paying for educational services in one municipality at a higher level than in another because of their assessments. I wonder if the minister is directing his attention to this. When can we expect some kind of action to rectify this problem?

Mr. Breaugh: I listened very carefully to the Liberal critic but I am still not sure whether they

are supporting or opposing the bill. I would like to put on the record that we are going to oppose this bill on second reading.

It appears to be the annual deferral of market value assessment, but around that there are a couple of other items that are worthy of note and opposition.

First, in principle the government is still doing something I find rather offensive and that is setting rates by order in council. It is a technique this government uses extensively. It effectively shuts out anyone from reviewing what the rate is, whether it is fair, unfair, the right rate or the wrong rate. The fact remains that the government can use this technique of setting them by order in council or the Lieutenant Governor in Council, and it means that nobody in this world can have much of an impact on what the rate is.

I oppose that aspect of the bill in principle. I think it is the wrong way to do it. I know the government has listened for some period of time now to various members who complain that setting rates by order in council is an unfair way to proceed. It is a method whereby, for example, members of the Legislature may go down to the regulations committee and check to see whether those regulations have been set out in a legal manner. But they still have no recourse to argue about merits or demerits of whether that is a fair and reasonable way to proceed. That is my first objection to the bill.

The second objection centres on the now almost annual deferral of market value assessment. I would like to see the minister make up his mind on this. This concept has been around for some time. Quite frankly, I suspect the government intends to find some time when there is the least political impact on the government—some moment in the dead of night I suppose would be the ideal choice—when it will be able to get away with what its stated intentions have been for some time—that is, to go to full market value assessment.

I think that would create some pretty dramatic shifts in many municipalities. I do not think there is any question about it now. There is not only going to be unfairness involved in that process, but there will be a substantial impact on many people. Particularly in urban centres and particularly among low-income groups, it would mean their ability to pay municipal property taxes would be stretched to the limit and in fact, over the limit.

Some could take the side, and probably will, that one should always be grateful for a stay of

execution on this kind of business. I am more and more reluctant to say it ought to be done on an annual basis. Frankly it is time for the government to stop trying to bring this thing in by the back door and to say frontally what its intentions are.

I would hope they would admit publicly that they have great problems with this market value assessment concept. They have not had a very smooth road where they have tried to put it in. There has been a major study done in Metro Toronto, which I am told is finished but not yet made public, and it is going to have a substantial impact. I guess it is no secret that if the government is successful with this technique going in to the largest urban centre, it is simply a matter of time until it then moves it throughout the province.

It is my view that will be a sad day indeed, not that the concept is all that flawed, but simply the technique. The previous member spoke at some length about all the problems people have trying to understand assessment. There is no question that they do and the reason is that it is not a simple business. Even among those who work with it day in and day out there seems to be considerable confusion.

We have had problems recently in my own area. It seems they notified people of a change in assessment, but when one talks to the local assessment officers they say there really was not a change. Yet the notice they sent out to homeowners said there was a change in assessment.

After we have a little discussion with the local assessment officers, they point out that under different sections of the act the thing was not put out properly initially and it is all computerized. The problem is, one cannot get a simple answer.

There is one other area in here where I think we should point out some slight differences to the member from Minto Corp. who was rushing to the defence of the developers.

I cannot fault the government in this one instance for not being straightforward because it seems to me they are putting their exact intentions into this act. Though I can fault them on some other parts of this bill, that is one where I cannot. It seems to me they are saying: "We have a little problem here and we are putting in section 5, which will clearly state what it is we want to do."

In my view, the best law is the one which at least tells us what they are going to do to us next.

In summary, we oppose the bill in principle.

There are a couple of things in here we do not like. I suppose we are happy to see that it will go off to committee for a short set of committee hearings tomorrow morning. The difficulties we have with the bill, I have tried to put forward in a succinct manner. Amen.

9:20 p.m.

Mr. Roy: Mr. Speaker, I just want to make a few brief comments on this legislation.

Mr. Stokes: It is now 9:19 and 30 seconds.

Mr. Roy: As one who is always vigilant of due process, on reading this Legislation—

Mr. Breaugh: Maybe you will tell us whether you are for the bill or against it.

Interjections.

Mr. Roy: What did I do to get the New Democratic Party exercised now?

An hon. member: You talk sensibly. That's what they can't stand.

Mr. Nixon: Nobody over there had read the bill until we brought it to his attention.

Mr. Speaker: If you address the chair you will have no problem.

Mr. Roy: Yes; I will.

It was quite obvious the member for that party who spoke previously did not see a sly move on the part of the government in section 5 which he failed to criticize. That is not new. I suppose the member for Riverdale (Mr. Renwick) did not have a chance to speak with him. Obviously they missed that point.

I want to talk about what my colleague the member for Waterloo North (Mr. Epp) touched on briefly in his opening statement on this legislation. He managed, in a very thorough opening address, to cover all aspects of this bill, the subject of which is assessment, which politically is not all that sexy to some. Nevertheless, my friend was able to deal effectively with all aspects of this legislation. He dealt specifically with section 5.

The Minister of Revenue (Mr. Ashe) should be more forthright when he brings forward this type of legislation which affects existing rights. Let me explain briefly the purpose of section 5.

A number of individuals in this province disputed assessments over a number of years—I am going back to 1976, 1977, 1978 and so on. They rested their faith on due process. They went before the Assessment Review Court and were not successful. Subsequently, they went on to appeal. The appeal went before a county court judge who made a ruling which reduced their assessments and would have resulted in the

municipality of Nepean having to rebate sizeable amounts of money to some landlords in Ottawa. One of the landlords was Minto. Obviously if the landlord's assessment was lower, it would benefit the tenants of that establishment as well.

[Laughter]

Mr. Roy: Mr. Speaker, I can understand why the New Democratic Party would smile about that but that the minister, that so-called free enterpriser, should smile and even laugh at a statement like this is very offensive to the free enterprise system of which Minto in Ottawa is a part.

Mr. Stokes: Huh, huh, huh.

Mr. Roy: Mr. Speaker, can you restrain the former Speaker?

Mr. Nixon: He is making very strange noises. I've heard them before.

Mr. Van Horne: It must be something he had for supper.

Mr. Roy: That's right. I think he is practising for Christmas. He is trying to give some competition to—

Mr. Speaker: If the honourable member would just turn around about 90 degrees—

Mr. Roy: Yes, Mr. Speaker.

What happens is that the county court judge allows the appeal and reduces the assessment. Of course the crown in this case decides to appeal this decision before the Ontario Municipal Board and so the case is awaiting appeal. The case has been in process for a good number of years.

All at once, the minister comes along with section 5, which for all intents and purposes annuls all previous court proceedings; it retroactively decides that all the processes that took place before and the decisions that were made previously by the court will be changed in one fell swoop by this legislation.

There is nothing wrong in having clear and concise legislation. We are not critical of this. But it is not done after the fact. The point is to try to make the legislation as clear as possible to allow the court or whichever tribunal is interpreting this law, to make a clear decision. But when an appeal is now being processed, when an assessment has been ruled, when a judge has made a decision on a particular assessment going back to 1976, 1977 or 1978, I think it improper that this assembly should be passing legislation to affect a process that has taken place a number of years ago.

I would like the minister to tell us if this will affect actual appeals that are existing now—whether the tribunal, for instance the Ontario Municipal Board, will be looking at this legislation now to decide on the assessment, and not at the legislation that existed at the time the assessment was imposed.

The actions of the government in this case, as my colleague the member for Waterloo North said, are evidence of two things. First of all, it does not even have faith in the administration of justice in this province. The government set up the assessment review court, the appeal to the county court, the whole procedure. After someone plays by the rules and is successful I find it very offensive when the government suddenly turns around and changes the rules in midstream.

I think that is improper. If I may say so, I think it is contemptuous of the process to say to people: "If you win on appeal and you win before the courts, we will fix you anyway. We will change the law." Whether it is a large landlord or any other individual, I do not think it is proper for the government to act in this fashion. Not only is it contemptuous of the process, but I find it somewhat offensive that the government would make this retroactive. It applies to assessments that took place four or five years ago. In that sense the law is offensive and should not be allowed to proceed.

There is one further matter to be considered in this process.

Interjections.

Mr. Roy: Mr. Speaker, I am not concerned by the shouting. I am not bothered by the interjections from the New Democratic Party. Usually when they interject, it is because they cannot understand. I can tell. The louder they shout, the more ignorant they are about the process.

It seems to me that when the minister or the government starts bringing forward legislation of this kind, we are going to run into further problems in the future. People are going to challenge this on the basis of the new charter. People are going to say this is against some of the principles of the charter. One of the principles clearly states that if someone is going to be affected by a provincial or federal law, that law must be in place at the time of the occurrence. This is not the case here. What the government is doing here, in December 1982, is imposing guidelines for situations that existed back in 1976, 1977 and so on. Whether it is Minto Construction or any other developer, we think it is improper.

For that reason, some of us have serious

objections to this legislation. We find it very offensive that the government sets the rules of the game but is not prepared to play by them. We find it contemptuous of the process when it tries to change the rules in midstream and at the same time imposes retroactive legislation.

I hope some of the people in Ontario will not accept legislation such as this, will challenge it successfully under the charter and get the government to realize, once and for all, that just because it has a majority over there, that does not allow it to bring forward legislation as offensive as section 5 of this bill.

9:30 p.m.

Hon. Mr. Ashe: Mr. Speaker, I wish to comment briefly. First, let me touch upon the comments made by the member for Oshawa (Mr. Breagh) just to clarify one issue. I appreciate it is only a technicality, and what led to it was the section of the bill headed up "Explanatory Notes." The first one actually says, "(a) to permit the Lieutenant Governor in Council to prescribe new pipeline rates. . ." In the bill itself, which is correct, it says the minister may prescribe by regulations. There are very few areas where that happens.

In the case of pipeline rates, that is so everyone really knows what it is all about. I think the rates themselves are set fairly and equitably. Frankly, there never has been any great dispute in the major pipeline companies as to the numbers that are related therein. Where the other issue comes up on appeals, which in this case is not retroactive, is in the case of some of the smaller pipeline companies that had not been part of the earlier discussions and that are in dispute in one particular section in 86 municipalities. That is why we are clarifying that.

As for the honourable member's comments about the deferral of market value, I think I have indicated on more than one occasion, as have many members on the government side, that it is very true that market value assessment per se as people would think about it—in other words, every piece of property at market value—is unacceptable to the taxpayers in Ontario.

It is unacceptable that we would have major shifts from industrial, commercial and high-rise taxpayers down to the low residential taxpayers. If there are some members of the Liberal Party who support that concept, I would like them to say so, but we on this side do not think that would be fair and equitable.

Over the years we have come up with a system that is working quite well in the municipalities that have opted to go for it under section 70 and

in those areas where proclamation is in order based on market value, but for most other municipalities that have gone the section 86 program route, as we call it—it is now section 63 in the act, but we still refer to it as the section 86 program—that still allows equity within property classes and yet, at the same time, does not allow the shifts to take place between property classes.

That leads me to the comments made by the two representatives of the official opposition, the member for Ottawa East (Mr. Roy) and the member for Waterloo North (Mr. Epp). I presume they are speaking on behalf of their party. It is nice to have it on the record that in this case they would like to protect the interests of a major developer in and around the Ottawa area at the expense of the ratepayers around those municipalities, particularly in the municipality of Nepean.

If we want to call a spade a spade, let us do it. That is exactly what the members opposite are talking about and that is exactly what we are talking about. It is not a matter of changing the rules; it is a matter of us putting on the record and clarifying what was always there. If there was some ambiguity, that is fine. We will make it very clear.

In the meantime, if the members opposite want to protect the vested interest of one major land owner at the expense of the taxpayers, they should just say so.

Mr. Breagh: Shame.

Mr. McClellan: Name names.

Mr. Roy: The people in this party protect everybody. We do not discriminate against anybody.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Ashe: I have a hard time equating that explanation with the remarks from the member for Waterloo North and the member for Ottawa East, because that is not what they were talking about at all.

The whole section 86 program has been given to the municipalities to avail themselves of the chance to correct inequities within property classes, within a class itself, with the full, complete and fair understanding that there would not be shifts between property classes. There is no doubt in our minds at all that particular appeal can be won, but in the meantime there are many other municipalities out there that are very concerned.

We all know it takes time to go through the

process. We all know that lawyers, like the honourable member who is here a couple of days a week, have to make a living in the legal profession; so they at least have to be kept busy. But in the meantime we would like to clarify it for the benefit of all taxpayers, not for one vested interest in and around the member's area that happens to have gotten to him and his colleague. We are interested in all the taxpayers in those municipalities, not just one.

Mr. McClellan: Shame.

Mr. R. F. Johnston: George, put an edge on it. Toughen it up.

Mr. Speaker: Order.

Hon. Mr. Ashe: It is not a matter of not having faith in the system; as a matter of fact, to the contrary, we have a great deal of confidence in the people we deal with; we have a great deal of confidence in our employees.

Mr. Roy: On a point of privilege, Mr. Speaker—

Mr. R. F. Johnston: Minto, Minto, Minto.

Mr. Roy: Mr. Speaker, you should know that the developer the member is talking about is Minto Construction, and the president of Minto Construction was a candidate for the New Democratic Party.

Mr. Nixon: How did that ever happen?

Hon. Mr. Ashe: Mr. Speaker, I also draw to your attention that there is more than one senior executive within that organization, and some of them are known to have supported the official opposition as well.

Reference was made to confidence in the system, and again I want to emphasize that is exactly what is there. The member for Waterloo North (Mr. Epp) talked about classification and asked whether we had no honour and no confidence in the system of comparing apples with apples. Yes, we do. But we also think it has to be made abundantly clear that there is no one out there who should be able to interpret.

If the honourable member thinks it is fair for a downtown commercial sector of a city to be compared with an outlying shopping centre because they are both commercial, he has another think coming; they cannot be compared. You compare commercial with commercial of a similar nature in the same vicinity. If the member would learn that, he would have a better understanding of the assessment system of the province.

Mr. Epp: On a point of order, Mr. Speaker: What the minister fails to mention is that you establish a classification and then you establish

a factor. Then you take a property and use that factor to establish the assessment based on the factor.

Mr. Speaker: Order, please.

Mr. Epp: What the minister is saying is that you use whatever property to compare whatever you like.

Mr. Speaker: Order, please. The member for Waterloo North will resume his seat, please.

Hon. Mr. Ashe: Mr. Speaker, let me also clarify for the current education of the member a little more about the operation of the assessment department in the Ministry of Revenue. I appreciate that the member's pipeline is somewhat out of date. A former employee who had some attractions in the private sector keeps feeding him out-of-date and very inaccurate information.

Mr. Epp: I have a letter here from somebody who never worked in the system.

Mr. Speaker: Order.

Hon. Mr. Ashe: Let me assure you, Mr. Speaker, about anyone who does not know that computer costs within the government, whether bought from the Ministry of Government Services or elsewhere, are still computed as part of the operating costs of a given ministry. It so happens that most of our contracts, if not all, are with an outside firm called Datacrown. They are not buried somewhere in another ministry.

Regarding the member's reference to the growth in the size of the assessment department, I might also point out that 10 years ago we inherited 2,700 people in the assessment system in the province; there are now 2,146. If that means growth in people, then my arithmetic and the member's arithmetic are somewhat different. And that is including the specialty department—

Mr. Epp: The minister is talking about the field organization. He wasn't even listening.

Hon. Mr. Ashe: Yes, I was. Again the member is somewhat out of date with his information. I am trying to clarify the issue for him. That includes the specialty properties division within the ministry.

Mr. Epp: Mr. Speaker, on a point of clarification: The minister is trying to tell us there were thousands of people in the field organization, which I was addressing my remarks to. He does not know—

Mr. Speaker: Order, please. That is not a point of order.

Hon. Mr. Ashe: Also, the member's reference to a section of the ministry is grossly out of date in terms of name and in terms of the figures he talked about. I know he talked about the nine and the 50 or 45 or whatever; but again he is completely out of date with the facts, and irrelevant.

It is not a matter in any of these of not having confidence in people. Unlike some of the members opposite, all people within the government or within the Ministry of Revenue do not feel they are experts in everything. Yes, we have called upon some specialists to assist in specialized areas, because we are trying to do an equal and fair job for all, in spite of some of the views of the members opposite.

9:40 p.m.

As far as the member's own particular section within Waterloo is concerned, that is the next step in the whole reassessment process being offered to municipalities; that is to say, region-wide reassessments. The region of Waterloo is very interested in further correcting the inequities within that jurisdiction.

Motion agreed to.

Mr. Speaker: Shall the bill be ordered for third reading?

Hon. Mr. Ashe: Mr. Speaker, I move that the bill be referred to the standing committee on administration of justice, and I ask the House to suspend standing order 57, which calls for five days' prior notice.

Motion agreed to.

RESIDENTIAL COMPLEXES FINANCING COSTS RESTRAINT ACT

Hon. Mr. Elgie moved second reading of Bill 198, An Act to provide for an Interim Restraint on the Pass Through of Financing Costs in respect of Residential Complexes.

Hon. Mr. Elgie: Mr. Speaker, today I am pleased to move for second reading An Act to provide for an Interim Restraint on the Pass Through of Financing Costs in respect of Residential Complexes.

Briefly, this bill limits to a maximum of five per cent that portion of a rent increase attributable to increased financing costs claimed by a landlord as a result of his purchase of a residential complex.

This act applies to all applications by landlords to the Residential Tenancy Commission, where the application is made after October 31, 1982. It also applies to all applications where the resulting hearing is held after the date this act

comes into force and involves a residential complex that has been purchased more than once since October 31, 1979, or approximately within the past three years.

To eliminate any confusion, the term "purchase" has been clearly defined to confirm that it includes the acquisition, whether by transfer, assignment or otherwise, of any interest in an option to purchase or an agreement to purchase a residential complex.

The RTC, when determining the total rent increase for a residential complex, may allow, as a component of that total increase, an amount equal to no more than five per cent of the last lawful rent in respect of additional financing costs resulting from the landlord's purchase of the residential complex.

I want to emphasize that these approved pass-through costs resulting from such a purchase may not always equal even five per cent. The commission may approve an increase attributable to the purchase of the complex of something less than five per cent if such a smaller percentage is all that is justified.

Because the five per cent cap is the maximum increase allowed by the legislation for that part of a rent increase attributable to increased financing costs arising from a sale, the operation of subsection 131(3) of the Residential Tenancies Act is suspended in regard to relieving the financial hardship a landlord may experience as a result of increased financing costs attributable to the purchase of a residential complex.

In addition, the operation of subsection 131(4) of the Residential Tenancies Act is suspended for the life of this act. The subsection previously had allowed the commission, when apportioning a total complex-wide rent increase among the individual rental units, to equalize the rents payable by tenants in similar units in the complex. In other words, for the purposes of this act, all the tenants in the same residential complex shall experience the same percentage increase in their rent.

I further propose to amend the act, as originally submitted, to make clear that equalization will be suspended for all applications resulting in hearings held after the date this act comes into force. This act will come into force the day after it receives royal assent and will remain in force until the last day of December 1983. Despite its repeal on that date, however, it will remain in force to allow the commission to continue to hold hearings and issue orders on applications for rental increases made on or before December 30, 1983.

During that time, we will await the report of the Thom commission, and I expect to be able to introduce more comprehensive legislation during the fall of 1983. I feel that the present legislation addresses a difficult and at times confusing situation. I believe it provides reasonable interim measures until we receive the report of that Thom commission.

Mr. Epp: Mr. Speaker, I am pleased the minister has introduced some interim legislation, and obviously we will support the bill. However, we plan on looking at it closely in the next day or two, and we will have some amendments to it at that time.

We condemn the factors that made it necessary to bring in this bill. We know what happened. The Cadillac Fairview/Greymac exchange of property in the vicinity of \$270 million, which escalated to \$500 million, forced the introduction of this bill so the government could give some assurance to the tenants of those buildings that their rents were not going to escalate in a range of anywhere from 40 per cent to 60 per cent, as many of them feared. Whether that reasonably could be expected is not in question. The fact was that many of those people thought it was a real possibility, and I think they had some grounds to believe that would materialize.

This bill, known as An Act to provide for an Interim Restraint on the Pass-Through of Financing Costs in respect of Residential Complexes, also could be called the five per cent plus bill. I say it could be called that because what we have here is a limit of five per cent as far as financial cost pass-through is concerned, but we also have six per cent plus remaining that landlords can get for their other operating expenses. That may be somewhat justified.

I am by no means a landlord-basher, as some people might be. There are excellent landlords in the province, and I think we should compliment them. Unfortunately, some of the landlords have given a bad reputation to a lot of other landlords. I remember serving on the committee that studied Bill 163 when a lot of landlords and tenants came before the committee, and I could see that many of the landlords were having a difficult time trying to meet their expenses, particularly landlords of smaller buildings, walkups and so forth.

I know a lot of those landlords, if they have tenants who have difficulty meeting their rent payments, have postponed them. I have spoken to landlords who say: "I have some tenants who are well behaved. I do not make much money on my building, but I am prepared to leave them in

the building because they are good tenants. They look after their apartment; so it is really not that important for me to make a big profit on it as long as I have a stable building." Those people should be complimented.

Nevertheless, we have an example here of some people wanting to rip off the system, and they want to rip it off in large chunks and slices. That is what has happened in the Cadillac Fairview/Greymac/numbered company extension, if that is what one wants to call it.

I have a question for the minister. It is unclear how many applications he had on hand as of October 31, 1982, and that is one of the important dates of this bill. It is important from the standpoint of how many applications are on hand. I have heard a figure of something around 2,665; I am not sure whether that is an accurate figure, but it is something the minister can respond to.

One other section, section 5, deals with equalization; it suspends equalization temporarily for one year. I want to draw the minister's attention to the fact that it extends this equalization, not for all buildings but for certain buildings. I know the arguments for equalization. When this was discussed in Bill 163, I think all three parties supported equalization, but it now has been suspended and for good reason. It applies only to some people. I wonder how the minister will respond to the fact that it applies only to applications made after October 31, 1982.

9:50 p.m.

"2(b) Where the application is made on or before the 31st day of October 1982 and,

"(i) The hearing by the commission pursuant to the application is commenced on or after the day the act comes into force, and,

"(ii) The application is in respect of a residential complex that has been purchased more than once after the 31st day of October 1979."

That means it includes a considerable number of buildings, but there are a lot of buildings where this particular freeze on equalization does not apply. The minister may want to respond to that.

The bill comes into force after it receives royal assent and, therefore, does not protect all the tenants. The applications being heard right now should be included retroactively, at least to November 16, when the minister made his statement that he was going to bring in legislation. The bill should apply to any decisions that were rendered as of November 16, because it will not come into effect until, I suspect, next

week, the day after it receives royal assent. There could have been protection for a number of tenants under this bill if it had been applied either to November 16, when the minister made his statement, or at least to the day he introduced the bill. I wonder why he did not do that.

We will be introducing amendments to this bill with respect to demolition control. We hope those amendments will get the support of the government and the third party. We will be introducing them when the bill goes to committee, but I did want to indicate today that we will be introducing some amendments in that area.

Mr. Philip: Mr. Speaker, because of the time, I will be considerably more brief than I had intended to be.

Hon. Mr. Elgie: Mr. Speaker, on a point of privilege: I want this House to understand that I look upon it as a privilege to have the opportunity to listen to the member for Etobicoke. I hope he is not in any way more brief than he intended to be when he started.

The Acting Speaker (Mr. Robinson): That is very generous of you; however, it is not a point of privilege.

Mr. Philip: This is the first Minister of Consumer and Commercial Relations who has accepted some of the ideas of this party and some of the things I have been asking for over the last seven years. I am pleased he is listening again tonight.

In rising to speak on this bill, I suppose I must compliment the minister, inasmuch as he is the first minister who has shown any concern and any movement on behalf of tenants. At the same time, I must say this bill is to be expected of a crisis management style of government. It is typical of a government that has been in power for too long and, as was outlined in the Peter Principle, can only respond when something hits it on the head and says, "There is a problem and we have to deal with it."

This bill is too little and too late. It is a bill that tenants' groups and other progressive groups should take less satisfaction from in the little it does and more dismay at what it does not do. This bill takes one small step in a direction in which tenants have been asking to go for so many years. This bill does too little. All it does is defer the pass-through of financing costs in newly purchased buildings. We have no guarantee in this bill that speculation in buildings will stop, but merely that the cost of that speculation to tenants will be slowed down, at least until December 31, 1983.

The argument of the minister is that this is an interim bill to respond to the specific crisis while further study is taking place. One has to ask, what study? If we have an example of the kind of study this government does, of course, it is the Ministry of Municipal Affairs and Housing study that was released during this summer when the House was not sitting and when the minister could not be asked questions on the shallow, ideologically bound, right-wing Friedman type of economics it produced; a study by the Ministry of Housing that in fact suggested rent review should be abolished completely. Is this the kind of study that the Thom commission will report back? When we are looking at that, the minister is asking us somehow to have a blind faith in voting for section 7 of this bill.

One of the questions the previous study dealt with was the very matter that this government now says it is studying over again. The questionnaire sent to landlords by the ministry of housing study asked about financing, but it did not report back its findings.

This minister wants this party to accept section 7 of the bill, which repeals the act on December 31, 1983. He promises that by that time—or indeed before that time, he said tonight—the commission will have reported back. For too long this government has promised tenants reform and for too long it has not produced that kind of reform. To ask us to vote for a bill that self-destructs on December 31 without seeing what we will have as a replacement is simply to ask too much of us.

On June 15, 1978, we in the New Democratic Party stated in no uncertain terms where we stood on cost pass-throughs. We filed a minority report to the standing committee on general government report on rent review. It stated:

"Point 6(b)(7) in the report allows the pass-through of financing cost increases that result from the sale of property. In our position we argued that rent review programs should be neutral in respect to the way in which the building is financed, and the inclusion of financing costs for pass-through is a major loophole in the present program. We do not feel that the committee's position is adequate to close it."

The Liberals and Conservatives voted against that. They voted, in fact, for pass-throughs, the very kinds of pass-throughs that this bill now is trying to deal with in a patchwork way.

Even earlier than this, on December 11, 1975, we in the New Democratic Party moved amendments to restrict cost pass-throughs of unavoidable increases in financing costs. At that time

we said, "For the purpose of this act, increases in costs shall be deemed to mean increases in maintenance, heating, supervision and utility costs." It is interesting that at that time again the Liberals voted with the Conservatives under the minority government when they could have made a change, and it was defeated at that time.

In committee, we will be moving an amendment to reflect our position, a position that, unlike that of the Liberals, has been constant since 1975 when rent review was first introduced.

This bill is also silent on disclosure. We believe tenants have a right to know who owns the buildings they live in. On November 4, 1976, we moved an amendment to the Corporations Information Act that would have required disclosure of information about any corporation in which a company held more than five per cent interest. The Conservatives, again with the Liberals, voted against that. If that amendment had gone through, perhaps the present situation that has resulted in this bill, the Cadillac Fairview and some of the other flips, would not have occurred.

The minister argues that this bill is to stop the flipping and speculation in buildings, but what the bill does is to attempt to offer a short-term solution. Only this week I asked the minister if he was aware that, in at least two instances I named for him, the Residential Tenancy Commission was denied the names of the beneficial owners of the building, one at 40 Earl Street in Toronto and the other at 41 Garfella Drive in Rexdale.

Both of these were owned by numbered companies. The minister admitted that there was nothing he could do at the present time, other than what was already in place.

10 p.m.

As our leader pointed out in the House today, the fact is the minister will end up in lawsuits over this. Unless the minister amends this bill to put the requirement of disclosure into this legislation, he is going to be dragged through the courts on this issue. We feel it is incredible that the minister should be bringing in even an interim bill without including the legislation requirement for a company to disclose the information which residential tenancy commissioners are asking for.

We believe that in a time of restraint, when workers' salaries have been restricted by the combined Liberal-Conservative alliance, rents should not be allowed, even by this bill, to rise considerably above the rate of inflation, as they are now doing. If the bill is adopted in its present

form, it will result in a minimum rent increase of six and five—six per cent or more for increases in maintenance costs and five per cent for the increases in financing costs. We believe it is incredible that the minister should expect workers, who have had their salaries frozen, to bleed while landlords and others do not share in this burden.

In spite of the constant pleas by tenant associations and by the NDP, we find it incredible that the government continues to ignore the fact that increasingly larger portions of rental accommodation are not covered by rent review. In some areas, such as the area which I represent, a major portion of the rental stock was occupied after January 1, 1976. We have made repeated attempts to get this government to include those kinds of buildings, the newly constructed buildings, under rent review.

In 1977, the Liberals joined with the Conservatives in defeating our amendment to do so. Again, only a few months ago, this government blocked and prevented from coming before this Legislature in a democratic vote my own private member's bill that would have done that. We will be moving amendments to see that, in fact, will happen.

So we have a situation where this minister tries to patch up the system while the Minister of Municipal Affairs and Housing (Mr. Bennett) allows, as my Liberal colleague has pointed out, the demolition of buildings in the city of Toronto. We have Bill Pr13, which was stalled over and over again, by the justice committee chairman, by not being scheduled and now it is not being brought back to the House. So we have an increasing number of buildings that were under rent review being demolished in the city of Toronto, while at the same time an increasing number of new buildings are not under rent review at all. We find it incredible that this minister should not take account of that even in an interim bill.

It is interesting that in spite of the fact that year after year we have called for studies into the speculation by offshore interests in the housing market in this province, this government has done nothing about it. As late as September 3, 1982, the minister, in a letter to a Mr. Kesbar of Toronto, stated, "I am satisfied that the legislation's treatment of this particular issue and the commission's practices in support of the legislation are fair and represent reasonable balance between the interests of landlords and tenants."

Even later, October 14, in answer to a ques-

tion from me in the House, the Minister of Consumer and Commercial Relations said: "If the member has information"—this is to do with the Cadillac flip—"I do not possess, I would be delighted to receive it. I have no information that Greymac is a foreign corporation. If he has that information, will he please provide it to the House?"

Basically what he was saying was that there was no flip, and there was no foreign corporation involved in this. Now he recognizes that there is a problem and, finally, he brings in this bill. We have no alternative, because it does move slightly in the direction for which we have been asking for years and years, but to support it.

Hon. Mr. Elgie: Mr. Speaker, on a point of privilege: I would correct the member; in that statement at that time I did not indicate and do not now indicate that I have any evidence that Greymac Credit is a foreign corporation and is owned by foreign ownership. If the member still has that information, please have him provide it.

Mr. Philip: The thrust of that question, as the minister knows full well, was that we were saying there was speculation by foreign interests in the Toronto market. That is what the minister was asking and that is what the minister was saying; that there was no problem that he knew of. That is why I brought that question to his attention, and he did not act at that time.

Now he recognizes that there is a problem. But what about all of the other foreign companies that up until this time have been flipping buildings? What about the Mississaugas? What about the PHI International? What about all of those companies? We still do not know who owns them, who the principals are and how many times they have been selling buildings.

We will support this bill. It does provide some relief to some tenants. It is no alternative to what we have asked for since 1975. It takes one small step in the right direction and therefore we will support it. Certainly we will have a number of amendments to it and we look forward to debating these amendments in committee.

Mr. Swart: Mr. Speaker, I am pleased to rise and support my colleague from Etobicoke (Mr. Philip) in the comments he has made and in the amendments which he is going to move.

I am not going to speak to any extent about the details of the bill, but I will deal with two or three principles to say that the need for this bill and the circumstances surrounding it clearly

signal a number of things, and they are all connected to the outmoded and unrealistic philosophy by which the Tories and the Liberals operate.

Mr. Ruprecht: You leave us out of this.

Mr. Swart: Oh, you are tied right in with them, tight.

One of the main reasons we have this bill before us at the present time is because the Liberals in Ottawa, largely supported by the Conservatives here, refused to do anything about the escalating interest rates two, three years ago and last year and even this summer. They may have voiced some sentiments that they were too high, but when it came to actually recommending that the federal government intervene directly to lower those interest rates, they neglected to do that. They stayed away from that.

The tremendous increase in rents around this province are largely due to the pass-through of these high interest rates.

Hon. Mr. Elgie: On a point of privilege, Mr. Speaker: I think the member should recall that some three years ago he spoke in favour of an incomes policy. One of the New Democratic Party critics in Ottawa has now come out in favour of that. Is the member himself now supporting an incomes policy for this province?

Mr. Swart: The minister cannot twist that one around. He knows very well that we have been opposed to the high interest rates ever since they started to go up and, both provincially and federally, we have been calling on the government to intervene and to do something about them.

That is the main reason for the high rents. I have been involved in some cases where people have had 30 to 40 per cent increases in their rents because of the pass-through of the higher interest rates.

Second, they do not really ever intervene to prevent problems. They intervene only at a time of crisis and they intervene on an ad hoc basis. The minister knows that my colleague the member for Etobicoke—and he recognized this when he got up to say that he welcomed his comments—has been moving private member's bills and dealing with these problems, that now have risen to the point where the government is forced to do something. He has been dealing with those for years and calling on the government for action.

But no, they never take any action to prevent things. Only when it reaches a crisis stage do

they bring in some ad hoc legislation, and that is all this is. It is really ad hoc legislation.

10:10 p.m.

I suppose it may be politically smart. If they prevent these problems from arising, by and large they do not get any credit for it; but if they let problems arise and reach a crisis point, then even if they provide only half a solution, they do get some credit for it. I suppose it is a good way of getting votes, but I want to say it is a hell of a way of running the province.

Third, this bill demonstrates something else. It demonstrates the double standard by which this government operates. The credit bureaus in this province can provide information on every individual as to his or her financial position. They have it all in computers. If Bell Canada or anyone else wants to find out the financial position of an individual, it can find out. This government permits that. Yet it does not even want to know who owns the buildings that house 10,000 families. It says it does not matter and it does not even want to know.

For these reasons, the New Democratic Party, with the leadership of my colleague the member for Etobicoke, will be introducing amendments to make this bill a much better protection for the tenants of this province. Unlike the Liberals, we know what we are going to do at this time. We have looked at this bill thoroughly. We do not have to wait for another two to three days to decide what we are going to do. We know what we are going to do at this time and that is to improve this bill substantially and fight the government every inch of the way to get those improvements.

Hon. Mr. Elgie: Mr. Speaker, my remarks will be brief. I hoped the member for Etobicoke would not be too prolonged in his remarks so I could have a chance, but I cannot control him any longer.

Mr. Wildman: Remember, it is better to be loved than feared.

Hon. Mr. Elgie: What? Come on now. This is the spirit of Christmas; remember that. There has to be one day in the year when the member for Algoma starts to be nice and decent. He should try it. He might like it every day of the week.

Mr. Conway: Mr. Softie.

Hon. Mr. Elgie: Oh, you smooth guy.

In commenting on the remarks by the member for Waterloo North (Mr. Epp)—as long as the member for Renfrew North does not keep distracting me—I would remind him that when

he talks about the five per cent plus bill he should review the record of his own party, which has spoken vociferously in support of the cost pass-through principle as the only logical step to be taken.

If he has changed his position on that, I wish he would say so. I know the member has a tendency to change his position on things, but I do not want to remind him of those things because it troubles him and it troubles me. I was there with him the same night.

Mr. Epp: The bill represents a change for your government.

Hon. Mr. Elgie: No. This bill represents the progressive steps this government has always shown it is capable of carrying out.

The member asked a specific question about the number of applications that were on hand as of October 31, 1982. I am advised there were indeed something in the neighbourhood of 2,600 applications for rent review outstanding.

On the question of equalization, there was some confusion in the bill. I confess to a drafting problem in that under section 5, I think the section with respect to equalization would be deemed to apply only to hearings before the commission where this act applied. As I indicated in my opening remarks, I propose to amend that section so it will apply to any hearing, not just those hearings related to this act.

As to why there are the two dates, I think the member can appreciate the concern one always has in looking back and introducing some degree of retroactivity to legislation, but I felt the topic of those transactions was on the minds of the public and certainly on the minds of this Legislature from the date of November 1. I thought the date of October 31, 1982, would not be one that many would question because it was an issue we were discussing on November 1.

However, I would also remind the member I have added another section to the bill that covers hearings occurring after the date the act is proclaimed; nothing to do with applications occurring after October 31, but hearings where there have been multiple purchases will also be covered. That is simply to reinforce this government's opposition to this kind of speculative activity and to make it very clear that we are not going to tolerate it.

The member for Etobicoke talked about crisis management by a government in power too long. Although I hope he has read the Peter Principle, I have to tell him my one worry about him and his party is that if they were to be in

control of this province they would indeed let it peter out. That is the "petering" they are about, the petering out principle, and that is the book they should read because that is what they stand for. They should understand that very clearly.

If the member for Etobicoke does not really believe the—

Mr. Breauth: We want Phil Gillies.

Hon. Mr. Elgie: The member cannot have him. He had him last night. That is all he is going to get.

If the member for Etobicoke does not believe the measure introduced by guideline and by this proposed legislation has stopped speculation, he is not living in the same city I am living in. The messages I am getting are very clear. Proposed sales are stopping, applications for rent increases have been withdrawn, rent increases have been dropped precipitously, the most recent one being this week when there was a hearing before the commission. The commissioner refused to accept any financing charges because the numbered company could not be identified with respect to beneficial ownership.

The Thom commission was referred to. I hope members will agree with me that in choosing Stuart Thom the government has chosen someone with a great knowledge of the tax structure of this country and someone who has always shown himself to be independent and capable of independently evaluating rent review legislation in Ontario, something that has never been done before, I submit.

Having made all those remarks, I know I have influenced members greatly and will lead them to change their views in life and join those who are more sensible and appropriate. If I may, I will wind up my remarks by saying it has been a great occasion.

Motion agreed to.

Ordered for standing committee on administration of justice.

Hon. Mr. Elgie: Mr. Speaker, I wonder if I could request the House to waive the five-day interval before consideration by the standing committee on administration of justice?

Agreed to.

DISRUPTION OF HOUSE

Mr. Piché: On a point of privilege, Mr. Speaker: Respecting the Legislative Assembly Act, Revised Statutes of Ontario, 1980, chapter 235, as amended by 1981, chapter 29 and a privilege respecting a contempt of the House that occurred last night, I believe the actions of

certain individuals, whom I shall name on Monday next, constitute a contempt of this House as defined by sub-sub-subclause 45(1)2 of the Legislative Assembly Act, in that these individuals, by their actions, did attempt to intimidate or obstruct members of this assembly.

Mr. Speaker, if you find that I have a prima facie case of privilege, I would propose the following motion: I move that matters relating to the demonstration in the public galleries last evening be referred to a committee of this House for study and report.

Mr. Speaker: I will take that under consideration.

10:20 p.m.

House in committee of the whole.

The Deputy Chairman: Call in the members for the stacked votes.

10:30 p.m.

WORKMEN'S COMPENSATION AMENDMENT ACT (concluded)

The committee divided on Mr. Lupusella's amendment to clause 4(1)(a), which was negatived on the following vote:

Ayes 46; nays 63.

The committee divided on Mr. Lupusella's amendment to section 4, which was negatived on the same vote.

Section 4 agreed to.

The committee divided on Mr. Lupusella's amendment to subsection 5(1), which was negatived on the same vote.

Section 5 agreed to.

The committee divided on Mr. Lupusella's amendment to subsection 6(2), which was negatived on the same vote.

Section 6 agreed to.

The committee divided on Mr. Lupusella's amendment to section 7, which was negatived on the same vote.

Section 7 to agreed to.

The committee divided on Mr. Lupusella's amendment to subsection 8(1), which was negatived on the same vote.

The committee divided on Mr. Lupusella's amendment to section 8, which was negatived on the same vote.

Section 8 agreed to.

The committee divided on Mr. Lupusella's

amendment to subsection 9(1), which was negatived on the same vote.

Section 9 agreed to.

The committee divided on Mr. Lupusella's amendment to section 10, which was negatived on the same vote.

Section 10 agreed to.

Bill 205 reported.

Mr. Piché: Mr. Chairman, on a point of order: Would it be appropriate at this time for me to make some remarks?

The Deputy Chairman: Does it pertain to this bill?

Mr. Piché: Yes, it does. I wanted to show the House that the two Sudbury members are missing tonight—the one who has the big mouth—yet the member on our side is here tonight. I want to put that on the record.

The Deputy Chairman: That is not a point of order. Order.

On motion by Hon. Mr. Wells, the committee of the whole House reported one bill without amendment.

Hon. Mr. Wells: Mr. Speaker, I wonder if I could have the concurrence of the House to place a motion concerning Bill 198.

Agreed to.

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Hon. Mr. Wells moved that Bill 198, An Act to provide for an Interim Restraint on the Pass Through of Financing Costs in respect of Residential Complexes, be referred to the standing committee on administration of justice and that the committee be authorized to meet to consider the bill on Monday afternoon and evening next, the committee to report the bill to the House on Tuesday afternoon next.

Motion agreed to.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, perhaps I could just indicate the business of the House for tomorrow and next week.

Tomorrow, Friday December 17, we will consider Bill 196 standing on the Order Paper for second reading and committee of the whole and then proceed to concurrences in supply for the auditor, the assembly, the Ombudsman, ministries of Education, Colleges and Universities, Social Development and Community and Social Services, time permitting.

On Monday, December 20, in the afternoon and evening, we will consider the estimates of the Treasurer.

On Tuesday, December 21, in the afternoon we will deal first with third readings of the bills which this House has debated today and tomorrow morning, and any private bills that stand on the Order Paper. Second, we will deal with the motion for interim supply standing on the Order Paper and, third, with the estimates of the Office of the Lieutenant Governor, the Premier and cabinet.

Those particular estimates will continue in the evening of December 21.

There is a possibility, if all that business is completed, that the House can adjourn either Tuesday evening or, if that business is not all completed, it will continue over to Wednesday, December 22, and the House will adjourn Wednesday, December 22, at 6 p.m.

When the House adjourns, it will resume sitting on Monday, January 17, 1983, to conclude consideration of the remaining estimates and concurrences standing on the Order Paper and all the bills at present standing on the Order Paper.

The House adjourned at 10:39 p.m.

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Ontario

LEGISLATIVE ASSEMBLY

No. 178

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament
Friday, December 17, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Information Services Branch, Ministry of Government Services, 5th Floor, 880 Bay Street, Toronto, M7A 1N8. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Friday, December 17, 1982

The House met at 10 a.m.

Prayers.

STATEMENT BY THE MINISTRY

AID TO FORMER PSYCHIATRIC PATIENTS

Hon. Mr. Grossman: Mr. Speaker, last spring we confirmed our commitment to improve mental health care for our citizens. At that time we also announced a substantially expanded network of community-based mental health programs. Today I am pleased to announce the finalization of some additional mental health initiatives with a total funding of over \$1.3 million.

As members of the House are aware, there is a real need to strengthen substantially our follow-up programs and community-based services to help former psychiatric patients adjust to life outside the hospital. The fact is that many former psychiatric patients need someone to identify their overall aftercare needs in the community and someone to facilitate delivery of existing services to those patients who are not already linked to aftercare services or who are not utilizing available services effectively.

To achieve this goal, specifically in the Parkdale area of Toronto where former psychiatric patients tend to congregate and the problem is most acute, we will implement a new model of aftercare to link individual needs to available services. Many former patients are in need of, and qualify for, existing services, but are not aware of their availability or do not know how to access them.

Therefore, we will hire one team co-ordinator, 10 case managers and three support staff to bring community services such as appropriate housing, as well as financial, vocational, social and medical services directly to the former patients who need them; for example, family benefits could be arranged with the local welfare office, assistance could be given to find proper accommodation and routine checks could be made to ensure that medication is taken as prescribed.

With a budget of \$430,000, this new program will operate from Archway, a satellite clinic of

the Queen Street Mental Health Centre. The Queen Street Mental Health Centre will hire the required staff to initiate this program early in the new year.

This new program has been created as a result of advice we received from the Parkdale Working Group, representatives of various agencies and levels of government particularly concerned about the Parkdale area of Toronto. I believe that the smoother transition to life outside the hospital offered by this new program should not only alleviate many of the problems faced by former psychiatric patients but should also provide substantial community benefits to the residents of Parkdale as a whole.

In addition, we have been allotted \$300,000 for project PAL, psychiatric assistance and leadership, which is the Ministry of Health's component of the winter Experience '82-'83 program announced by my colleague the Provincial Secretary for Social Development (Mrs. Birch) earlier this week. As members know, winter Experience '82-'83 is an initiative of the Ontario youth secretariat spearheaded by our colleague the member for Brantford (Mr. Gillies) and designed to provide job opportunities for unemployed youth.

Specifically, project PAL will provide jobs for unemployed youths between the ages of 16 and 24, who will work in the community to assist former psychiatric patients. Duties will include a wide range of activities such as friendly visits, assistance with basic daily life tasks, and office and maintenance duties. Twelve community-based mental health organizations will participate in this project, which will employ 100 young people until March 31, 1983.

In addition to these new community-based initiatives we are moving to improve mental health services in our institutions by instituting a new measure to assist patients during their stay in psychiatric hospitals. A comprehensive patient advocate service for each of the 10 provincial psychiatric hospitals is now being implemented. A patient advocate co-ordinator has now been hired by the ministry to oversee the smooth operation of this new program to protect patients' rights in our institutions. We will hire 10 individuals with a mix of medical, social or legal

backgrounds as patient advocates by the end of February 1983.

The role of patient advocate has been designed to provide a "patient friend" who informs the patient of his or her rights, acts as a mediator with the hospital staff and serves to overcome irritants before they develop into major complaints.

The patient advocates will have, and must be seen to have, impartiality and independence. They will be there to safeguard a patient's rights, whether legal or health. Regular reports of activities will be provided to the community advisory board of each hospital as soon as these boards are established.

Specifically, the main duties of each patient advocate will be to investigate concerns, inquiries and complaints; to assist in referring patients to appropriate services, including legal services, and resources; and to make recommendations to hospital administrators and the ministry's mental health division. We have allocated \$612,000 for the patient advocate program, which includes salaries and operating expenses for the patient advocate co-ordinator, 10 patient advocates and their support staff.

I know all members recognize that appropriate mental health programs are essential components of an effective health care system for the people of this province. These latest initiatives in our communities and in our institutions, in addition to the district health council studies on mental health throughout the province and our expanded thrust in community-based mental health services, demonstrate our government's ongoing commitment to meeting the difficult challenges of mental health head-on.

ORAL QUESTIONS

DUTIES OF MINISTER WITHOUT PORTFOLIO

Mr. Peterson: Mr. Speaker, the government benches are a little thin this morning, it being Friday. Perhaps I will ask a question of my good friend the cabinet minister from Middlesex, who I do not think has ever been asked a question.

It being Friday and all, a number of us who are concerned about restraint in government are obviously concerned about the size of the cabinet and the leadership the Premier (Mr. Davis) is showing in that regard. Perhaps the minister would be good enough to take this opportunity to tell us what he does for a living.

Hon. Mr. Eaton: Mr. Speaker, I thought the honourable member would never ask. I can run over my duties for the member very briefly or I can take quite a while, whichever he pleases.

10:10 a.m.

Hon. Mr. Davis: Take a long time.

Hon. Mr. Eaton: Okay.

Hon. Mr. Davis: If this is his most important question, give it the importance it deserves.

Hon. Mr. Eaton: I am sure it is of great public interest—

Mr. Peterson: It is.

Hon. Mr. Eaton: —and I would like to cover a few of them, such as chairman of regulations committee of cabinet. I am on Management Board of Cabinet, the Board of Internal Economy and the northern Ontario resources transportation committee, and have other duties as well that are assigned from time to time by the Premier; perhaps to meet with delegations or to carry out other duties that may be involved as far as cabinet is concerned.

Mr. R. F. Johnston: That's no reason for missing hockey games.

Hon. Mr. Eaton: I haven't got to playing hockey yet this year.

Mr. Peterson: Is the minister enjoying his job?

Hon. Mr. Eaton: I am finding it very interesting and I would say enjoyable. I think perhaps I am able to serve the public across the province and in my riding and to make more of a contribution than the Leader of the Opposition, who just stands up and questions and criticizes.

Mr. Cooke: Mr. Speaker, perhaps the minister could indicate to the House exactly what he has accomplished since he has been appointed to cabinet, what specific projects he has taken on and what justification there is for his portfolio?

Hon. Mr. Eaton: Mr. Speaker, as for specific projects, I probably cannot go over a series of them because it would take quite a while, but I think they have all been accomplishments. All the involvements we have had in Management Board have certainly been accomplishments for this province.

Mr. Riddell: Mr. Speaker, if I understand the minister, he is a member of Management Board, and if I understand correctly, the Management Board is meeting this morning. Would he exert whatever influence he has as a cabinet minister to see that approval is given to the new office and workshop for the Ausable Bayfield Conservation Authority? I wonder if he would make

sure that approval is given, as I understand it is coming before the board some time today.

Hon. Mr. Eaton: Mr. Speaker, I am sorry, we are not meeting this morning, but let me assure the member that the problem in his riding is being looked after by me and will be taken care of.

Mr. Peterson: Mr. Speaker, I was hoping the Treasurer (Mr. F. S. Miller) would be arriving this morning and I assume he is. Is he going to arrive? I could wait. Does the Premier know when he will be arriving? Will he have a statement with respect to the meeting yesterday? Perhaps I should just address my question to the Premier.

Hon. Mr. Davis: He will be here shortly.

Mr. Peterson: Perhaps the Premier would be good enough to tell me when he is going to arrive?

Hon. Mr. Davis: In a few minutes.

Mr. Peterson: The Treasurer's appointments secretary tells me he will be here in a few minutes, Mr. Speaker. In view of the seriousness of the meeting yesterday, I would assume the Treasurer has a statement for this House, because we are very concerned about what transpired and how quickly the governments will be moving.

Could I ask you, sir, to stand down my next question until such time as the Treasurer arrives?

Mr. Speaker: Perhaps we could recognize the member for York South in the intervening period.

SHELTER ALLOWANCES

Mr. Rae: Mr. Speaker, my question is to the Minister of Community and Social Services. I am sure the minister will have had an opportunity by now to read the report of the standing committee on social development on wife battering. As the minister will know, I am sure, there are some very specific recommendations directed to his ministry.

I would like to ask him if he is prepared to implement recommendation 22 which, as I am sure the minister will know, calls for him and his ministry to introduce without delay a bill devoted exclusively to the issue of wife battering. In particular, the bill should ensure that the capital and operating costs of transition houses for battered women and their children, including the costs of support services, are adequately funded and that standards for the houses should be prescribed.

Is the minister prepared to introduce such a

bill to make sure that capital funding for transition houses is, in fact, provided?

Hon. Mr. Drea: Mr. Speaker, one of the great disappointments I have is that the report—

Interjections.

Hon. Mr. Drea: The member wants a bill and he wants an explanation.

One of the problems is that it really rehashed an awful lot of old ground instead of trying to do what I hoped it would do—focus on the real problem. I commend the committee for its recommendations and the deep sensitivity it showed to what I considered to be a significant problem.

However, it was a great disappointment. Why I am somewhat concerned about what I will do on the basis of the report is it lets the wife beater off absolutely scot-free. Why should the woman have to leave the house? Why should the taxpayers have to pick up for the woman? Why not throw the man out of the house? Obviously the report was written by males.

Ms. Copps: I object to that. I was a member of the committee, as was the member for Beaches-Woodbine (Ms. Bryden).

Hon. Mr. Drea: Obviously it does not reflect a female viewpoint.

Ms. Copps: What are you talking about? Have you read this report? Do you know what is going on? Unbelievable.

An hon. member: You did not even show up for committee.

Hon. Mr. Drea: I was not asked, my friend. You were scared to have me.

Ms. Copps: Talk about insensitivity. You should resign. That's disgusting. Ask the member for Brantford (Mr. Gillies). It was a unanimous report.

Mr. Speaker: Order.

Hon. Mr. Drea: I consider this to be a very serious report. I would like to be able to talk about it without a number of interjections which do not do the cause or the problem any good, as was reflected by what happened in Ottawa prior to the commencement of the committee here.

There are a number of recommendations, many of which I have already implemented or am in the process of implementing. The fundamental problem in this is that the available amount of dollars is being used in most cases to provide shelter, accommodation and a place of refuge for the innocent party. At the same time, the male remains in the family household and remains in the dominant position.

In terms of the report and the recommendations to my friend and colleague the Attorney General (Mr. McMurtry), it dealt with one aspect of it. It seems that the point is being missed, to put it in the vernacular, when a banana who beats his wife or lady friend remains in charge of the domestic home and the taxpayers are expected to provide some of the basics because there apparently is no other resort.

In terms of the counselling and workshops which I am already funding, and in terms of the per diem which is already higher in Metropolitan Toronto than the amount stated in the report and which is going higher across the rest of the province, those are absolutely necessary. Before I will consider a bill or any legislation for "battered wives," and I prefer to use the term "dispossessed," I think we have to come to grips with why the men are allowed to stay in the houses and the others are driven out as refugees. Period.

Mr. Rae: I am sure the minister knows and I am sure he would not want to give the wrong impression, but the report does deal at some length with the very problem he has described. It refers to amendments that are necessary to the Criminal Code and amendments that are going to be necessary to the Family Law Reform Act, and also refers to the Supreme Court of Canada decision on the reference in the family relations act.

10:20 a.m.

Mr. Speaker: Question, please.

Mr. Rae: So all of those things have been dealt with, and I felt the fact had to be put on the record because the minister has been talking balderdash in responding to the first question.

If the minister rejects one of the most important recommendations with respect to setting up a bill that would provide for capital funding, would provide for clear authority for transition houses right across Ontario, would not rely on municipalities as to whether or not they are even established, I would like to ask him if he is at least prepared to accept recommendation 23, which states that the Ministry of Community and Social Services should fund shelter services on a block funding basis and not simply on a per diem or an occupancy basis?

Is he at least prepared to guarantee that these hostels, these transition houses have an acceptable basis of funding, that they are not continually looking from week to week or from month to month for acceptable funding and that the

services that are provided go beyond simple occupancy to include things like counsellors?

Hon. Mr. Drea: It is very interesting that the leader of the third party now has a position where he turns his back on virtually every woman in rural Ontario where such a home is not possible and where block funding would deprive her of the services that either are now available or I guarantee will be available to her by March 31.

Mr. Rae: You are a disgrace.

Hon. Mr. Drea: What was that?

Mr. Speaker: Never mind the interjections, please.

Mr. Rae: I said you are a disgrace.

Mr. Speaker: Order, please. The minister will just address himself to the question, please.

Hon. Mr. Drea: Certainly, Mr. Speaker. I also do not need any free legal interpretations of the clauses in the remainder of the report that deal with the Attorney General.

The problem with block funding is that in many areas of the province there is not a sufficient demand to constitute the building of a centralized transition house without obviously having to move or force people to move many miles from their homes. The present situation, which is the funding under the General Welfare Assistance Act, means that the municipality has to provide for that person. If there is not a transition house, then they have to provide some type of accommodation and shelter.

When the draft report of the committee came out, I pointed out that a directive had been sent to every municipal social service department in the province that said they had to specify in writing exactly what their plan was when they had one of these cases, and that those must be filed with the ministry by March 31 of next year.

While block funding may appear to be an interesting solution, it would not accomplish as much as the present system does. It would remove the municipal component. The municipality would not have to have anything to do with it.

Second, if there was block funding it obviously would be an amount. What do we do when we go over the amount? As it stands right now it is based on need. If a person comes in, regardless of the budget or regardless of the financial numbers and so forth, he must be served as a person in need. If we remove the municipal component, then we are very seriously going to set back the transition and interval house movement.

There are three new interval houses coming into operation in Metropolitan Toronto next year. Every one of them prefers the present system over block funding, including the one in my own riding, which got precious little support from somebody on the other side.

Mr. Boudria: Mr. Speaker, regarding the minister's first answer, would he like to describe to this House how he is going to achieve a situation whereby a woman who has just been battered by her husband is physically going to eject him from the house? I would like the minister to explain how that is going to happen, so that we can all understand how we will have less need for shelters for battered wives.

Hon. Mr. Drea: Mr. Speaker, obviously the member, in his usual simplistic fashion, has chosen to interpret my words to suit himself.

Mr. Breithaupt: That is what you said.

Ms. Copps: That is what you said.

Mr. Speaker: Order. We recognized the member for Prescott-Russell. The minister will address himself to that question, please.

Hon. Mr. Drea: Obviously, the realistic fact of the matter is that when a woman is assaulted she needs a place of safety. I am not talking about a one-night or two-night accommodation which may be necessary. I thought I made that clear. I am talking about the problems of finding long-term accommodation for these people.

It seems to me a very simple solution to the matter is that when a husband has chosen to act like a bum, or wants to do that, there should be vehicles into the court where that husband can be faced with a restraining order so that he cannot go into the family home. Then the family can enjoy the home. Whatever counselling and so forth is needed to have them adapt to a situation where he has left can be made available.

It would seem to me this is a far more appropriate look at the matter, a deterrent, if you want. If you want to beat your wife, then you are going to sleep in the park with the muggers. Maybe that is the way it should be.

I do not see anything the matter with that and I cannot understand why a committee that was provided with as many resources as it wanted and studied the matter for a prolonged period of time could not—

Mr. Conway: That's the chain gang, Frank.

Hon. Mr. Drea: A convict work gang is not a bad place for a guy who beats his wife. I do not understand why the minister is being asked to provide the intellectual stimulation to a com-

mittee that, as I say, had all the resources, all the hearings and whatever else it wanted.

Mr. R. F. Johnston: Mr. Speaker, to say that I am disappointed with the tone of the answer of the minister would be a major understatement. He knows that our—

Mr. Speaker: Question, please.

Mr. R. F. Johnston: Does the minister not know that our recommendations 40, 41 and 42 all point out the problem that he has indicated? Does he not recognize there is a major need for a safe haven for these women, whom I consider should be called assaulted or battered, not just dispossessed? That is missing the point of our whole thrust of this, which is that it is a crime and it has to be talked of in those terms.

How many spaces does the minister think we need and how much money is he willing to put into safe havens, whether they are just a room or two in somebody's house or actual full hostels as we have in other major areas around the province?

Hon. Mr. Drea: Mr. Speaker, I think my record in facilitating this type of accommodation speaks for itself.

In 1983, there will be another nine; three in Metro, six across the province. When the member is being realistic, he will agree with me that in many of the smaller communities there is some difficulty with a central place without moving people around.

The reason I have some qualms about calling a woman "battered" is that it somehow brings up the image that she must literally be in bandages before she would qualify for this type of thing. I believe that if she is forced—either for her own safety, which includes emotional, or for her children—to do something about a family violence situation, she should have this type of service. I do not think she should necessarily have to be physically assaulted. She is a victim of crime.

In this situation, I do not understand why we do not treat the victims of crime as we do other victims. There seems to be a dichotomy. The committee's recommendations in the 40s just do not go far enough. I am disappointed.

10:30 a.m.

Our budget will be going up from \$1.5 million to \$2 million on a projection. If there are more clients than that under the General Welfare Assistance Act, obviously that will go up. I have pointed out already the per diem in Metropolitan Toronto is far higher than the \$20 that was mentioned. It is \$23. The existing three that are

in Metropolitan Toronto have that and the new three will have.

Somebody said there are 50,000 battered or dispossessed women in Metropolitan Toronto alone. That is based on a one-to-10 ratio. I think that ratio is very substantially escalated. There is a study coming out that says the real ratio is about one in 300. By the end of calendar year 1983 we will have a sufficient program in place, not only in Metropolitan Toronto but across the province, where that type of emergency shelter will be available when it is required.

Ms. Copps: Does the minister not believe the London police officers?

Mr. Speaker: Order. Will the member for Hamilton Centre (Ms. Copps) please contain herself.

Ms. Copps: The minister obviously has not read the report.

Hon. Mr. Davis: The Leader of the Opposition (Mr. Peterson) should control the member for Hamilton Centre.

Mr. Peterson: I will control her if the Premier (Mr. Davis) will throw the minister a little raw meat and settle him down.

Mr. Speaker: She was such a great elf the other night.

JOB CREATION

Mr. Peterson: Mr. Speaker, I am disappointed the Treasurer has chosen not to make a statement today in the House about his meeting over the last 24 or 36 hours with his peers across this country. I am sure the minister is aware there are 600,000 people in this province desperately looking for answers to the problems the ministers were presumably applying their minds to yesterday.

We, of course, have been pleading for months that the minister would do something—that he would take the funds saved from the restraint program and apply them, not just to cutting down the deficit, as it appears he is doing, but rather to constructive job creation proposals. We can only follow the press reports, but is that now what he is going to do? How many jobs is he going to create in this province through these new plans, and when is he going to get going? Would the Treasurer not agree with me that we cannot wait until February?

Hon. F. S. Miller: We have not waited. The Leader of the Opposition does not want even to accept the fact that we have not waited. We started co-operating with the federal govern-

ment through the new employment expansion and development program and Canada-Ontario employment development program back in November. They are going into gear right now. They will be providing jobs, and they will be providing them in the short term. The member does know that Ontario put \$50 million into the next three months and that will be providing jobs. Letters are going out to most members these days telling them where jobs will be, what towns they are in and how many people may be employed. I suggest to the member that we are doing quite a bit.

Yesterday, since the member asked about that specifically, we had perhaps the longest finance ministers' meeting I have ever attended. We certainly had the best in terms of the willingness of the participants to solve problems. We accepted the fact that no huge increase in the deficits of either Canada or the provinces would solve the problems, but we also accepted the fact that there was very good reason to co-ordinate our budget with theirs and to look at a number of major capital projects across this country, in all the provinces, that do not have to be shared but can be done by one level of government or the other. We were not talking about joint programs. We were talking about the total number of things that need to be done in the interest of Canadians.

I used a specific example in my little speech—which I trust the member read—that we would like to see the improvements in the rail system in the west. Now, that is not in Ontario.

Mr. Nixon: Double-tracking.

Hon. F. S. Miller: Yes, that is the where Mr. Trudeau said he was going to double-track all the sidings, as I recall.

Mr. G. I. Miller: He has already given the money for that.

Mr. Speaker: Never mind the interjections, please.

Hon. F. S. Miller: In any case, obviously anything that improves the movement of western grain has a direct impact on Ontario in a number of ways. First, the steel for the tracks has to be made. I hope that is done here. Second, people have to be hired, who buy consumer goods, most of which are made here. Last of all it brings grain more quickly into and through our ports, where there are major employers. There is a spinoff to the farmers when there is better movement and I would hope that would spin off to industries such as the farm implement industries.

That was just one example. Mr. Lalonde went on to state the kinds of things the government of Canada owns all across this country that are in need of improvement and upgrading.

We agreed that every province had housing problems of one kind or another and that instead of increasing deficits, actions should be taken like those Ontario took. By the way, we are used as an example of taking good action; the \$5,000 grant was seen to be not only creating jobs immediately but also almost paying for itself as it went along so that really it did not add to deficits while creating work.

Mr. Peterson: Frankly, I do not care if it was the longest, the best and the most co-operative meeting the minister has ever been at in his whole life. I am interested in results. What are the results? How many new jobs are coming out of that meeting of yesterday? Is there anything new, or is it just the same old stuff and are we going to see continued deterioration?

Hon. F. S. Miller: I can give the member the phone number of Mr. Lalonde, who I know would be glad to speak to him. He would be glad to point out he believes that from his level of government and ours there is a lot more to be gained by being positive and working together in this country than by constantly carping from the cheap seats.

Mr. Rae: Mr. Speaker, the Treasurer reminds me of those signs and posters during the Second World War which said, "Loose lips sink ships" and "Loose talk costs lives."

I would like to ask a very specific question of the Treasurer. While he was away I was asking questions of the Minister of Municipal Affairs and Housing (Mr. Bennett) with respect to some very specific housing initiatives which the government of Ontario has announced but has not funded or, alternatively, has cut back. I know housing was one of the items discussed at the meeting yesterday.

I would like to ask the Treasurer if he could give us a very simple, basic commitment that those programs, the InnoRent program and the rehabilitation program, which were announced in May but have not yet been funded, will now be funded? Will the Treasurer restore the cuts in the budget of transfers to municipalities for nonprofit and co-op housing, which he knows have been cut by \$600,000? Can we at least have a go-ahead on those programs so that we will be providing affordable housing for people, housing that is geared to income, and so that we will

also be providing jobs for our people? Can we at least go ahead on those programs?

Hon. F. S. Miller: Mr. Speaker, the Minister of Municipal Affairs and Housing yesterday, in answer to the member's question, pointed out that he has been having discussions with the housing industry and the municipalities of the province in terms of his second and third programs. Certainly the program we have funded so far has been a smashing success. The latest figures I see are over 11,000 new houses. Obviously, housing is going to be one of those areas where we emphasize priorities and we will be looking at that as I prepare my budget and the allocation of funds.

Mr. Peterson: Regarding his budget, which may be in March, April, May or June, depending on when he gets around to it, does he not agree with me, and the leader of the New Democratic Party too, that the biggest single priority in this city right now is for housing?

The minister has the capacity to build, to move on his own. We cannot wait until the next budget. He can not only take some pressure off the housing problems and the shortage of rental accommodation in this province and in this city, but at the same time have a tremendous economic ripple effect in creating thousands of jobs across this province.

What could be a higher priority for immediate action—not in his budget, but immediately—starting in the next few weeks? Why would he not display that sense of urgency in response to this most critical problem?

10:40 a.m.

Hon. F. S. Miller: When we went to the grant program for new houses in Ontario, we consciously decided that we not only had social objectives, we did free up rental space. The last figure I saw was more—

Interjection.

Hon. F. S. Miller: Just a second. Over 5,000 of the applications so far have been from people who vacated apartments or rental accommodation. I assume the others were not in accommodation at the time because they are first-time home buyers and I assume they were about to occupy space. I suggest to the honourable member there is more space because of that program and that we have been creating work in a meaningful way, while at the same time allowing many couples or families in this province to realize their major ambition, to own a home.

Mr. Rae: Just to come back to the Treasurer—

Mr. Renwick: Mr. Speaker, on a point of order: I do not like to interrupt the leader of my party but 32 minutes of the question period have elapsed so far.

Mr. Speaker: I am quite well aware of that.

Mr. Renwick: I would not have known it, sir.

Mr. Rae: To come back to the Treasurer with a specific program: The government announced two housing initiatives in May which have not yet been funded. That is the issue. On several occasions, the Minister of Municipal Affairs and Housing has said the matter is with the Treasurer with respect to the funding of these two programs. I would like to get a direct answer from the Treasurer.

Having gone to this session yesterday, having reached what we understand was some kind of consensus with respect to stimulation and job creation, can we at least have a commitment that the Treasurer will give the go-ahead for the funding of those two programs now, rather than have to wait for March, April or May? Can he not give us that commitment right away?

Hon. F. S. Miller: I am intrigued. I was listening to governments that reflect all parts of the political spectrum yesterday; two socialist governments, one Liberal government and eight Conservative or Social Credit governments. I recall getting some advice from one of the New Democratic Party finance ministers in terms of these kinds of programs, and I asked him if he would like to relay that message to the member.

Interjections.

Mr. Speaker: Order.

Hon. F. S. Miller: The Leader of the Opposition is obviously not anxious to listen.

What I am seeing today is that for a change some good financial news came out. For a change, people have said they want to work together. All of a sudden it is not bad and those members do not like that. That is one of the big problems. They cannot live with the fact we are actually trying to tackle these problems. We have agreed housing has to have priority. We knew that before we went down there. Ontario said that. Obviously, we will be translating our priorities into dollars.

Mr. Rae: I agree with the Treasurer—

Mr. Peterson: Are you guys dancing or talking about what is going on in this country?

Mr. Speaker: Given the time of year, I am prepared to be patient, understanding and tolerant. The member for Riverdale has brought to

everybody's attention that time is slipping away. Let us recognize the member for York South.

Mr. Rae: Let me try to go at this simple question another way. If the Treasurer agrees housing is a priority, and if he went to Ottawa to say that housing is a priority, why is he not prepared at least to fund the programs which his government has already announced? Why can he not provide that funding so we can get jobs going in January and February and into the spring?

Hon. F. S. Miller: As my colleague knows, it is not the normal posture of Treasurers to say funds are allocated before they are given to a minister. The minister has the privilege to announce it to the House the day they are, and that is the way it will be.

Mr. Epp: Mr. Speaker, the minister has had these discussions. To what extent were municipalities discussed and how might municipalities be involved in helping to create jobs with housing? Might the minister consult the municipalities so they would have some input as to how this money would be spent and jobs created?

Hon. F. S. Miller: Mr. Speaker, that is exactly what I thought I heard the minister being reported as saying yesterday; that he was consulting the municipalities.

I am intrigued at the direction of the thrust of two questions from the Liberal Party on housing today. Both have been, "Do not let the private sector do it; have governments do it."

Mr. Rae: Can the Treasurer give us some indication whether he is going to make an announcement either before Christmas or in January with respect to the response of the government of Ontario to the meeting that was held yesterday? Is he at least going to give us some indication of the actual steps, the actual money, the actual programs that are being put into place by his government in order to meet some of the commitments and agreements that were arrived at yesterday?

Hon. F. S. Miller: It is altogether possible that individual programs will be announced by the province. We did not follow the last model, the federal-provincial joint project. We agreed we should be going ahead on our own with projects the province or federal government could afford, but we would try to make sure we knew what each of us was doing before it was done.

The request Mr. Lalonde made was: "Please call me directly, write me directly, give me your specifics. I will be giving you my specifics. As soon as we have a good enough list, let us get

back together. By that time, I will have made major progress in my budget. I will suggest to you the directions I am going in so far as I am able to do at that point and we should have some very specific things to talk about. At that point also, the decision should be made as to whether a first ministers' meeting is in order and could be called."

URBAN DEVELOPMENT OF BRAMPTON FARM LAND

Mr. Riddell: I have a question to the Premier. In the absence of the commitment of the Minister of Agriculture and Food (Mr. Timbrell) to the preservation of agricultural land, making the food land guidelines policy of the government a farce and a sham, is the Premier prepared to take a stand on the Brampton official plan which will be taking over 7,000 acres of prime agricultural land, in view of the fact that Brampton's land is 81.5 per cent class 1 land?

Is the Premier also aware on this very important issue that between 1971 and 1981 close to 8,000 acres of farm land were paved over in Brampton and another 7,600 acres have been approved or are being developed in 1982 for a total loss of 16,000 acres of prime agricultural land? Now Brampton wants to take another 7,000 acres for urban and industrial purposes.

In addition there was a report from the Ministry of Agriculture and Food which stated that over the next two decades it will be necessary to provide the equivalent of 2.7 million acres of new food production capacity to maintain current levels of self-sufficiency while meeting future demands. In view of these reports, is the Premier himself prepared to take a stand, owing to the fact that the Minister of Agriculture and Food wishes to remain silent on this whole deal?

Hon. Mr. Davis: The honourable member is not quite correct factually. That should not come as any great surprise.

In terms of Brampton, he should go back to the mid-1960s when, as a result of what was described then as the south Peel water and sewage scheme, certain proposals were made by the participating municipalities with respect to future growth.

The member will find that in the ground of that great area of Ontario, the sizing of the infrastructure was such as to accommodate the projected population Brampton is seeking to achieve. If he looks at it historically he will find that was then altered to a certain extent by the

introduction of the Toronto-centred region plan which indicated a desire on the part of a number of people, including government, to redirect some of the western growth to the east of Metropolitan Toronto.

The member cites the number of acres that were included in the Brampton official plan going back before 1971. One can generalize as to the number of acres and the fact that it is, in his view, "prime agricultural land." However, I have been somewhat familiar with a good deal of that acreage over some 48 years—I do not remember much earlier than that—and I would say that is something of an exaggeration.

10:50 a.m.

Mr. J. A. Reed: I am familiar with it too.

Mr. Speaker: Order.

Hon. Mr. Davis: One of the difficulties for government is to accommodate growth to economic activity. That is a viewpoint I hear expressed constantly from the Liberal benches, and incidentally I share it, but it is necessary for that growth to be accommodated in terms of the economics of infrastructure that is there.

This government has done a better job than any other semi-industrialized jurisdiction in North America of trying to decide those delicate balances as to where growth should take place. If Brampton continues to grow in an intelligent, logical fashion, there is no question the local council would like to see that happen. No one is suggesting these acres be used in the next three or four years, but the planners and the local council are anxious to see the plan in place.

If the member is familiar with the city of Brampton at all, he will find the request from the municipality, supported incidentally by the region, goes up to Sideroad 17 which is the northern boundary of Brampton and was part of the south Peel water and sewage scheme. From the very day of the introduction of that scheme, that was contemplated as being in the planning and ultimate development area.

I could oppose the wishes of the local council, the region and I guess a good majority of the citizens of the community in which I live and say that growth will be limited. That is where a lot of the housing construction is going on—where that municipality is accommodating a lot of people—more so than a lot of other municipalities in Ontario over the past seven or eight years. So in terms of housing, that growth is essential. If the growth is limited in Brampton, we will have it in some other municipality that may be

further from where the economic viability of the community makes sense.

It is great to get up and try to be emotional about the preservation of farm land. But I would point out a good number of farmers involved are very much in support of this being included in the Brampton official plan. I know the member does not want to speak for the farmers, but I still have a few in the city of Brampton and I think I am reflecting their point of view when I say some of them think it is good planning and it makes good sense to have this included in the plan.

I should also point out that no decision has been made by the government with respect to the addition to the Brampton official plan.

Mr. Riddell: If the Premier thinks this is an issue that just concerns me, I would have to—

Mr. Speaker: Question, please.

Interjections.

Ms. Copps: “Question, please”? The Premier just made an answer—

Mr. Riddell: Has the Premier read the reports in some of the major daily papers across this province, such as “Davis Mum on Farm Land Decisions,” “Brampton Lets Farm Land Go to Development,” “How our Farm Land Disappears”?

One article talks about the Minister of Agriculture and Food remaining completely silent on the issue when he is supposed to be supporting his own food land guidelines. The article, written by David Lewis Stein in the *Toronto Star*, ends up saying, “Given how important the issue is, it would be appropriate, I think, to hear from the member of the provincial Legislature from Brampton, a one-time Brampton lawyer by the name of Bill Davis.”

Does that type of thing not bother the Premier? Is he going to insist that his Minister of Agriculture and Food make comments on this official plan, as he is supposed to do if indeed the food land guidelines mean anything in this province?

Hon. Mr. Davis: I am not going to get into a debate with David Lewis Stein. I read him with some regularity and he comments on a number of issues. With great respect to him, I would say I am somewhat more familiar with that community than he is and perhaps I have better understanding of the thoughts of the people in that community than he does. I think I also have a little better understanding of the history of this application for the official plan than does David Lewis Stein.

I am really not that surprised that he suggests I am staying mum, because David Lewis Stein does not totally understand the process. He does not understand that in the approval process for the official plan, the municipality is represented by democratically elected people—not all of a certain political persuasion, incidentally—and you just do not totally ignore the wishes of those people whom the citizens of Brampton have elected.

The recently elected mayor of Brampton said on radio, categorically and in a very forthright fashion before voting day, that it makes good sense in terms of the growth of the municipality. His statement got beyond the borders of the city of Brampton, incidentally. He comes from the Ottawa Valley, and has a great appreciation for agriculture and all that it means. Also, he is a good friend of the member for London North (Mr. Van Horne), so his political affiliations are not confined to a particular political party.

There has to be some balance, because there has to be growth. There has been agricultural land used, but I would suggest to the honourable member, before he gets all emotional and tries to suggest something is not appropriate because I have not said anything, that he too should understand the process.

I will say something at the appropriate time, but it will not be until the process itself reaches some form of conclusion.

LAKE SUPERIOR POLLUTION

Mr. Foulds: Mr. Speaker, I have a question for the Minister of the Environment. What steps is his ministry taking to examine thoroughly the potential danger to the fishery in Lake Superior in northwestern Ontario because of the threat of contamination by toxaphene? Specifically, has his ministry taken water and/or fish samples from any of the inland lakes in northwestern Ontario? How many water and fish samples have been taken and are now being processed or tested?

Hon. Mr. Norton: Mr. Speaker, I obviously am not in a position to give specific numbers in response to that question at this point. It is true that our laboratory is gearing up to do some testing in that field. Most of the testing to date has been done by federal laboratories, and I cannot at this point confirm with certainty whether testing has begun at our laboratory or not, although I believe some samples have been taken for that purpose.

Mr. Foulds: Can the minister tell me whether or not the samples taken last summer are still

being stored in Ottawa and have not yet been tested? Those are water samples. Can he tell me how soon we can expect those samples to be tested? Can he tell me why his ministry seems to be emphasizing the testing of water as opposed to the testing of fish, which at least has an easier and quicker methodology? Does he not think the immediate threat is to the fishery in north-western Ontario and that the examination of the species should therefore take top priority?

Hon. Mr. Norton: I think a thorough approach to examining the impact of any such chemical obviously requires the testing of both fish and water samples. In fact, I think the member will find that both have been tested in the past and will be in the future.

Mr. Elston: Mr. Speaker, as the minister well knows, toxaphene has been a major concern not only for Lake Superior but certainly with people around the Windsor area. Articles have appeared in some of the Detroit papers about toxaphene as well.

I would like the minister to comment to us today on the studies that have been going on, the sampling that has been going on and the results that have been promised to this Legislature for several weeks now with respect to the fish in the Detroit River. Can he tell us when that report will be available and whether or not the testing that has been done has shown any results with respect to the toxaphene problem, which had been outlined in several articles in September of this past year?

Hon. Mr. Norton: Mr. Speaker, the honourable member will recall that two or three weeks ago, I believe, when he last asked this question, I indicated my information was that the results should be available for publication within two or three weeks. That should be, I would hope, before Christmas.

11 a.m.

EMPLOYEE HEALTH AND SAFETY

Hon. Mr. Ramsay: Mr. Speaker, on December 8, I undertook to report back to the House on a question raised by the member for York South (Mr. Rae) regarding the extent of protection afforded by the Occupational Health and Safety Act to a worker who is pregnant.

The factual basis of this question involved a pregnant worker at the Midwestern Regional Centre for the mentally retarded who had refused to work in fear of the possibility that her unborn child might contract hepatitis from one of the residents under her care. The employee

was ultimately assigned to duties outside the area of exposure.

The honourable member's concern, however, related to a statement made by a ministry official during the investigation of this matter to the effect that protection of the unborn is not covered by the right to refuse unsafe work.

The issue raised by the member is of vital importance. In the interests of clarifying the ministry's position, I have obtained a legal opinion from the Ministry of the Attorney General dealing with this aspect of the work refusal provisions of the act. I wish to advise the House of the principal conclusion in this opinion.

Quite simply, I am advised there is no distinction between a pregnant worker and her unborn child for purposes of section 23 of the act. In other words, assuming one of the hazards enumerated in the section is present, a pregnant worker has the protection of the section. If the conditions present are likely to endanger her, including her unborn child, risk to the foetus is attributed to the mother and thus the act provides the necessary protection.

I can assure the member that steps are being taken to communicate this position to all members of the ministry's inspectorate.

It must be remembered that the Occupational Health and Safety Act is public welfare legislation, designed to safeguard against injury and illness in the work place. Accordingly, its provisions should receive such fair, large and liberal construction as will ensure that the intended purpose of the statute is attained. I believe the opinion I have received from the Attorney General's ministry is consistent with these rules of construction. Consequently, it is unnecessary to consider amendments to the statute.

CATEGORY 2 MEDICAL SCHOOLS

Ms. Copps: Mr. Speaker, I have a question for the Minister of Health. I wonder whether the minister can comment on the level of care that constituents in his riding are getting from physicians trained in category 2 schools. He may want to limit his remarks to the very large Chinese-Canadian community in his riding.

Hon. Mr. Grossman: Mr. Speaker, if the honourable member wants to provide more details of her concern about category 2 schools, she might do that, and then I will be able to answer her question.

Ms. Copps: It is obvious the minister does not want to comment on the treatment his constituents have received from category 2 schools.

The minister is well aware that the College of Physicians and Surgeons of Ontario has given notice that the college will not accept graduates from category 2 medical schools for any form of licensing in Ontario after January 1, 1986. In fact, only category 1 physicians will be allowed into this country, and that includes physicians from New Zealand, South Africa, the United Kingdom, Ireland, the United States and Australia, but none from such countries as Hong Kong, Israel, Italy, India, etc.

Mr. Speaker: Question, please.

Ms. Copps: The minister was aware of this, and I wonder why he did not act on it and why it was up to the Ontario Human Rights Commission to bring this question of potential racism to the attention of the college. Why was it up to the Ontario Human Rights Commission to ask the college to rethink its position, when I would have thought that the minister, in view of his concerns about our multicultural community, would have done it himself when he met with the college?

Hon. Mr. Grossman: Not only does the member have a penchant for asking distasteful questions, and questions that show where her head is these days, but she also has a tendency to ask questions that allow her just to take her left foot out of her mouth and put her right foot back into it.

For the information of the member, I raised this matter with the College of Physicians and Surgeons of Ontario long before she could even spell category 2. I took it up four or five months ago with the college, and I pointed out that my concern about its current requirements for licensing in Ontario was related to the question of quality.

I told the college at that time I thought the regulations they were putting in place were leaving a whole number of medical schools from category 1 on the list simply because they traditionally had been on the list, while ending category 2 for quality reasons. Let us understand that; it is for quality reasons, because they believe a lot of the schools on category 2 are not turning out highly qualified, skilled practitioners for Ontario. Therefore, category 2, which is internationally recognized, was eliminated, commencing 1986.

The reason for that was the number of doctors coming to this province. I know the member, as one who has been very good at standing up and lecturing on the need for nurse practitioners and others—which is a need I

happen to share—will, upon calm reflection, share our concern—

Ms. Copps: That is my responsibility.

Hon. Mr. Grossman: Will the member sit there and be quiet for a second?

Ms. Copps: You know darned well—

Mr. Speaker: Order.

Hon. Mr. Grossman: She should put her eyes back in her head and take her foot out of her mouth for a minute. Let her listen to me.

Ms. Copps: The human rights commission has taken the college to task and you did not. It is as simple as that.

Mr. Speaker: Order.

Hon. Mr. Grossman: The honourable member, so to speak, has said the human rights commission took the college to task and I did not. I have already stated it for the record. Before the member trots outside and repeats that statement for the media—and the college will confirm this for the member before she says it outside again—I raised this with the college before the human rights commission raised it with them.

What is the member showing me? What is she showing me to prove I am wrong?

Ms. Copps: A bulletin.

Hon. Mr. Grossman: It is a bulletin. What does it say? Put up; what does it say? Put up.

Mr. Speaker: Will the minister just address himself to the question, please?

Hon. Mr. Grossman: I want to make it clear, so there is no misunderstanding to those who want to take the member's propaganda, that I raised this with the college long before the human rights commission did and long before the member understood the issue, which still gives us lots of time because she still does not.

Let me make it clear that the question we were raising was one of medical manpower and whether we should have every one of those schools licensed by the college, with the graduates of those schools being allowed to come in and practise here. The college responded to that long before I got involved in this by saying, "Category 2 graduates should not be allowed in here, for quality reasons."

I raised this question with them: "Are you, the college, satisfied that all the schools you are eliminating on category 2 are schools that have inferior quality, and are you satisfied that all the schools on category 1, which you are retaining because of the Commonwealth connection, are schools that are turning out superior graduates?"

The member can shake her silly little head but, if she will call the college, they will tell her the truth. She should be on the back shelf of a car with her head going.

Mr. Speaker: Order.

Hon. Mr. Grossman: As a result of that conversation—I want the member to hear this before she goes out in the hall and tells a different story—the college came back to the Ministry of Health and said, “We, the CPSO, agree that the review should include those schools on category 1 that might be dropped, in fairness, and look again at the category 2 universities, some of which are perhaps turning out superior graduates to those we are retaining on category 1.”

Just to close off all the silly points she has raised in this ill-thought-out question, let me say that I personally resent any suggestion she wants to raise that this reflects on this government, this member or this minister in caring about the immigration of any particular group to my riding.

Mr. Peterson: You are offensive enough without—

Mr. Speaker: Order.

Hon. Mr. Grossman: The Leader of the Opposition (Mr. Peterson) does not even understand the issue. Let her dig herself out. She got in; let her dig herself out.

Let me make it clear that there are legitimate points to be raised on this issue, but not out of the gutter. The member for Hamilton Centre should not raise the ethnic issue in here. My record will stand up against anyone over there. She should not kid herself.

Mr. Speaker: The time for oral questions has expired.

Ms. Copps: Mr. Speaker, on a point of order or a point of personal privilege: I am concerned at the minister’s hysterical response to my question. I ask the minister to revoke his statement that he would like me to get out of the gutter, because I do not think I was in the gutter.

Mr. Speaker: It is neither a point of order nor a point of privilege. I ask the member to resume her seat, please.

Mr. Riddell: I think the minister is going to have a pretty lonely Christmas. He lives for himself and nobody else.

Mr. Speaker: Everybody has an urge this morning to make a speech. Now I recognize the member for Hamilton West.

11:10 a.m.

PETITIONS

CLOSURE OF AUDIO LIBRARY

Mr. Allen: Mr. Speaker, I have two petitions to table on the same subject; so I will simply read the one and table the other.

The first is from a citizen of Mississauga named Frances Catherine Steinmiller with respect to the Trent audio library, and the other one is from Erindale United Church. I will simply read the headings of one of them.

“The program uses volunteer readers to tape textbooks for print handicapped students in high schools and post-secondary level, enabling them to complete their education and become self-supporting citizens. Surely access to our public education system is a basic right for anyone, handicapped or not, and in the long term a money-saver for the government that would otherwise be forced to provide welfare and disability payments. We would like to see our tax money channelled in this direction.”

Mr. Mancini: That was a real class action: first class.

Mr. Speaker: Will the member for Essex South just be quiet, please.

INTRODUCTION OF BILL

INSURANCE AMENDMENT ACT

Mr. Foulds moved, seconded by Mr. MacKenzie, first reading of Bill 211, An Act to amend the Insurance Act.

Motion agreed to.

Mr. Foulds: Mr. Speaker, the purpose of the bill is to make insurers responsible for the debts incurred by persons who are appointed by insurers as insurance agents while they are holding themselves out as agents of those insurers. It speaks to a problem that one of my constituents has with a debt incurred by an insurance agent in the riding.

OPENING OF DRAPES

Mr. Nixon: Mr. Speaker, on a point of order: I notice the pages opened the curtains and then they closed them. We stand the bright lights during the question period, and I think we can probably stand the curtains open and we can let the sunshine in here. Do we have to take a vote on that? I am in favour of opening the curtains.

Mr. Speaker: That is an excellent idea.

ORDERS OF THE DAY

PROVINCIAL COURT (CIVIL DIVISION) PROJECT AMENDMENT ACT

Hon. Mr. McMurtry moved second reading of Bill 196, An Act to amend the Provincial Court (Civil Division) Project Act.

Mr. Speaker: Does the Attorney General (Mr. McMurtry) have a statement? No?

Mr. Breithaupt: Mr. Speaker, as you said to the House earlier, everyone seems to want to make a speech today; so this will be my opportunity. It will not be particularly lengthy.

As the members of the House are aware, this bill is particularly necessary because the provincial court (civil division) project that was developed in Metropolitan Toronto will end on December 31 unless legislation is brought before this House to deal with the continuation of that project.

This bill does that, but I regret to say that it does not do a number of other things that I think are necessary with respect to the development of the status of this project within Ontario.

As a result, I am going to propose to the Attorney General four particular amendments that I think he should consider with respect to the operation of this court project, and I am sending them over to him now. It seems to me that we will run a serious risk if we do not develop and properly establish this court, now that we have the opportunity to do so.

The Courts of Justice Act, which will be coming before us at some time in the future, may well deal with this civil division and upgrade its status to that of the criminal and family divisions of the same court. Indeed, the Courts of Justice Act may, when it comes before us, may also deal with the development of this kind of project in other parts of the province.

But that is not going to be for some time. In the committee considering the estimates of the Ministry of the Attorney General a day or so ago we were informed that while the Attorney General wishes that this Courts of Justice Act be before us as soon as possible, it is still going to take some time to complete the mechanics and to deal with the rule changes that are going to be necessary to have that legislation all in place. Certainly that is going to take quite some discussion. The justice committee and possibly others are going to be involved in dealing with all of the mechanics, as best we can, of an entirely new project in this province that will result from the Courts of Justice Act.

But that probably is not going to be before us

in the spring session; indeed, it may well be that the necessity to look at this matter so thoroughly will prevent the implementation of that kind of legislation for a year or a year and a half to come. In the meantime, this civil division will continue being neither quite fish nor fowl. The civil division will continue without the possibility of being expanded across the province if it is the wish of the Attorney General and of the cabinet to do so.

As a result, in my suggestion for four useful amendments I have attempted to bring this civil division into a somewhat more permanent portion of the provincial court than it will be otherwise, by the simple continuation of what was a three-year project and now is set out as chapter 397 of the Revised Statutes of Ontario.

I think it is important that the Attorney General consider the provisions that appear in chapter 398 in the Provincial Courts Act, because he will see that in the development there of the two aspects of the provincial court—that is, the criminal division and the family division—we have an opportunity now to upgrade on an interim basis the civil division, which I believe has developed very well within Ontario.

There was a report on the recent development of the project and, while I will not refer to it at length, I do commend to the members the comments made on pages 195 and 196, as I recall, showing how well this court has developed, what a useful situation we have and that the commitment of the judges appointed to this court has worked out very well in this whole area. As a result, I think there is an upgrading that we can do and that this bill does not entirely address.

I commend to the Attorney General the comments that are set out in the four amendments I propose to make to this bill, which I believe would improve it.

First of all, I would change the definition of “judge,” which appears in clause 1(b) of the initial act; that is, chapter 397 in our revised statutes. As a result, as is set out in my amendment, judges would be appointed, not under section 4 of the bill we are amending, but simply “under this act.”

The second amendment I will propose would strike out the phrase “of the municipality of Metropolitan Toronto” in the second line of clause 1(c) of the act.

11:20 a.m.

Third, I would change subsection 3(1), which reads as follows: “There shall be a court of record in and for the municipality of Metropoli-

tan Toronto called the provincial court (civil division) of the municipality of Metropolitan Toronto." I would amend that section to read: "There shall be a court of record in and for the municipality of Metropolitan Toronto and such other areas as the Lieutenant Governor in Council may designate, called the provincial court (civil division)."

Finally, I would suggest that a useful amendment in the bill before us would be as follows: "Sections 9, 12 and 13 of the Provincial Courts Act, RSO 1980, chapter 398, shall apply to judges appointed under this act."

The results of those four amendments would be to give continuity to the present civil division, to make it an equal part of our provincial court system and to give the judges the same status and equality as the judges in the criminal and family divisions. It would also allow the ministry to expand this division of the court in other areas if it wishes to do so.

If the amendments are accepted, we will have acknowledged that this civil division probably is going to be a continuing aspect of the provincial court system. As I cited earlier, the report on the project after these three years has made that result a likely and worthwhile one.

I know the Attorney General is going to consider that the proposed Courts of Justice Act in due course may well sort out these concerns. But since we are a minimum of a year, and possibly two years, away from having that system in place, I suggest the House should take the opportunity now to settle formally the status and quality of the court so that there is not this sense of limbo, as I gather is the case.

These four amendments would bring this bill up to date and would complete the acknowledgement of the division of the provincial court as being something we expect to continue in the future. A year and a half or so from now, when the Courts of Justice Act is finally in place, I know, things may have changed and this civil division may not be seen to be a necessary and permanent category; but I do not think that is going to be the case.

I expect that as we deal with changes in the monetary jurisdictions of courts and as we deal with the suggestion made by the Carleton law association with respect to a new view of the courts in the province as to whether the county and supreme courts might merge, this kind of ongoing discussion about changes in the framework of the court system is going to be with us.

I am sure the Attorney General agrees that the project over these three years has been a

worthy one. I do commend these amendments to him, because if they were accepted, in the commitment to a continuing and permanent civil division we would have an opportunity to broaden and to make secure the approach, which has been a successful experiment.

We have to change the legislation because, as I mentioned in my initial remarks, if this bill were not passed, the whole division and the project otherwise would come to an end at the end of the year.

I commend to the Attorney General the opportunity to have the system in place so that we are not called upon again in a few months to make amendments that could be attended to today. If the civil division is to continue, then let us do it in a thorough way and give an opportunity for its expansion to occur, should that be desired.

The third amendment I suggested only sets out that opportunity and, of course, does not require it, because I believe it would be presumptuous on my part to suggest that. However, it does give the opportunity, and I think that opportunity is worth while.

I submit that my suggested amendments, should they be included in this bill, would bring better legislation, would settle the prospects of the civil division and, I believe, would please the judges and the staff persons involved as they achieve the same status and expected continuity and prestige that the present members and staff of the criminal and family divisions now have.

This has been a worthy and worthwhile project. It is something that has been a successful and useful innovation in the attempt to resolve, in the traditional small claims approach, as many disputes between persons as is possible without the necessity of legal involvement or the requirement of great expense.

If these four amendments are included, as I have suggested to the House, I believe we will have a better bill. We will have a worthwhile result and will be able to build on the success of this project as we look to the permanent establishment of a civil division of the provincial court which may have the opportunity to expand in due course across Ontario, particularly into the larger metropolitan areas where this particular court will be of great use and value to the people of the province.

Mr. Renwick: Mr. Speaker, I rise to speak on this bill with an ambivalent attitude towards both the bill and the way in which the court has functioned. I have no hesitation in saying that we will support the amendments proposed by

my friend the member for Kitchener with respect to both the status of the judges of the court and with respect to the flexibility that would be designed in the amendments to permit, as time goes on, the extension of this particular court to the other areas in the province when it is seen fit to do so.

My ambivalence is affected seriously this morning, because in the riding of Riverdale there are two matters that touch upon people in Riverdale and the administration of justice. One is the whole process of the assessment of real property, and the second is the question of small claims up to the amount of \$3,000, or \$1,000, which is the present limit of the small claims court.

A few days ago, to try to give notice to the Ministry of the Attorney General, I mentioned that I wanted to discuss the assessment review court procedure in the estimates, in which there are 49 minutes left. But the genius of this House has managed to have the Attorney General, the Justice critic of the Liberal Party and myself as Justice critic for the New Democratic Party, here in the assembly dealing with a very important bill touching upon the lives of many people. In the standing committee on administration of justice, the question of the assessment review court is proceeding without the presence of the three of us.

11:30 a.m.

It takes a specific kind of genius to arrange the order of business of this assembly so as to bring about that kind of problem in the ordering of the business of the House on a Friday morning. Until we smarten up about the business of this House, there are going to be serious problems. For the government or the government House leader to chide this party about having wasted time on Bill 179 in the light of what took place in this assembly this morning makes a mockery of the whole process.

There happen to be six men suspended without pay in the Ministry of Correctional Services in direct contravention of the provision of the Charter of Rights of Ontario and of Canada. They are deprived of pay of at least \$1,000 a month and will be in bankruptcy if the matters are not dealt with. But somehow we cannot manage to deal with what affects everyday, ordinary people.

I know I have strayed a little from the principle of the bill, but I am going to come back to it because what happens in this court, which is the topic of the bill, affects the people in my riding directly, as does the assessment process

in which I am now not allowed to take part because of the genius of this House. That is a matter of great concern to me.

I have no problem with the amendments proposed by my friend the member for Kitchener, specifically the creation of another class of judges in the province who are neither small claims court judges nor provincial judges, in the strange way the ministry deals with this matter. I think the status of judges is very important and I am delighted to know the matter of the status of provincially appointed judges is finally going to have a proper airing in, I hope, the Court of Appeal of Ontario, hopefully in January.

I do not know whether it is possible for the administration of justice to understand that delay is injustice. That is the problem with the administration of justice in every respect in connection with this bill.

If a person lived in Riverdale and had to attend a small claims court, either as plaintiff or defendant, he would have to travel to Scarborough to deal with it. He could not go to College Street; that is much too convenient. If one lives east of the Don River, one goes to Scarborough. Anybody who has taken public transportation in this city would understand what it means to get to the court in Scarborough from the riding of Riverdale and would also know how long it takes to get to College and Yonge streets from the riding of Riverdale.

The courts the people of the riding I represent deal with are the most poorly administered of all the courts. There are very serious problems in connection with this matter.

My knowledge of the provincial court (civil division) in its project phase is derived from two instances. One is a matter on which I personally had to go on an appeal, not at the original trial but on an appeal, and I was dealt with quite fairly at that time. The second one is this valuable evaluation report of the provincial court (civil division) by Ann Cavoukian and Steve McCann, both of whom are members of the staff of the ministry. The personal experience reinforces much that is said in the report.

I do find it extremely difficult to understand why reports have to be ambivalent; in other words, they have to come out saying that everything is fine and it is a highly successful operation. On the other hand, when we read between the lines of the evaluation report, we find that the very things that have bothered us over the years about the small claims court are reinforced by the study. That is a very strange

position to be in when one stands as critic to discuss this project.

I happen to support the concept. I want to see it extended across the province and I want to see the small claims court abolished. We have inherited the small claims tradition through the court system in Ontario in a way which is almost a disaster for anybody who has been involved in it. I applaud, as my colleague the former member for Lakeshore did, the initiative taken by the Attorney General to try to get out of this particular morass by creating a court of status and standing and adapting it to the provincial court system when they introduced this particular project into the assembly in 1979, I believe.

I am totally in support of the concept involved. I want to see it extended across the province. I want to see the position of the judges given the identical status at the highest possible level of respect in all aspects of the appointment that the provincial court judges are gradually getting in this province. I want to see it continued and the small claims operation abolished.

Having applauded the concept and wholeheartedly agreed with the proposals made by my friend from Kitchener about it, I would like to take a minute or two to address what the report has said. It is a very good report, had they simply left it on the basis of a critical assessment of that court instead of talking about it as a highly successful innovation in the project. The road is clear, and the report points up very serious defects in the whole question of small claims.

The report is addressed to the rather limited sense of that court; namely, it was an experiment to see whether or not something called claims between \$1,000 and \$3,000 could be appropriately dealt with in such a way as to relieve the congestion in the county court and, secondly, to provide an efficient, inexpensive way of dealing with that kind of claim. I think the study addresses that particular aspect of the problem very well.

In the preface to the report, it simply says that it "attempts to assess the operation and effectiveness of the increased jurisdiction in terms of the aims that were articulated when the project was initiated." It goes on to state, "It seeks to elicit information which can provide some basis for seeing whether the court can be said to be meeting the somewhat vaguely formulated goals that were set for it at its inception."

It goes on to indicate that, in the opinion of those who were writing the report, they believe it to be a successful experiment, that it provides

an accurate profile of the court and that any future decision to increase the monetary jurisdiction of the court should take into consideration a number of the comments which were made in this study.

11:40 a.m.

I want not to go through the details of the report but to draw to the attention of the assembly some of the matters referred to in the summary and conclusions related to the court. They bother me immensely when I think of it in relation to the area of the city of Toronto that I represent.

It is unfortunate, for example, that the figures in the study appear to indicate that claims between \$1,000 and \$3,000 are still perceived as being sufficiently large to justify or necessitate the use of a legal representative. I think it is appalling that we cannot devise a court system for adjudication, given the inflation factor of our lives and given the deflation of the value of the currency which automatically accompanies that inflation.

People not only find it inconvenient in my area to get to the court, but still believe that if they are faced with that kind of a dispute they have to have a legal representative. I could not find—it is probably here in the report—the number of cases where the plaintiff is represented by a lawyer and where that has a significant deterrent effect on the defendant.

Seemingly to be inherent in the report is the number of people who do not enter an appearance or a defence, coupled with the number of people involved and the extent and degree of the adjournments which are requested. Added to that is the very real expense to litigants in that court of time off work and legal representation fees, not the expenses of the court.

It would appear that in a financial sense the costs of the administration of the court have been quite successful in being kept at a very low level, but it is also very clear that time off work and the question of the sense that one must have a representative to deal with one's case in that court are two factors which must be addressed by the ongoing project in the court.

I would hope that it would be possible, without legal representation, for ordinary citizens of the province, whether they are faced with a claim by their bank or by a major corporation or by the neighbour down the street or by the local contractor, to be able to say: "I am going to go to the court, and if I dispute this matter I am going to state what my position is. I am going to expect the other side to state what it

is and I am not going to get involved in an interminable court process." I think that would be extremely important.

It is fascinating to see in this report that only 23 per cent of the litigants who responded to the litigant questionnaire said they would have pursued a claim between \$1,000 and \$3,000 in a higher court if the provincial court (civil division) had not been available.

It is quite fascinating to see that only a quarter of the people would have bothered, in the absence of this court, to have pursued their claim. That is again part of the ambivalence, because I do not pretend to understand the implications of that statement. Does it mean that 75 per cent of the people who are defendants in that court would have got off quite scot-free had no such project been evolved by the ministry? I do not know the answer to that. It sounds like a real catch 22 to me.

The report then goes on—and it talks in very lawyer-like terms; we as lawyers can understand it, but the ordinary citizen cannot understand it—and is quite complimentary about saying that of the cases studied, 75 per cent were completed within six months. Anybody but a lawyer would think, "Why do you applaud that statement as being evidence of the success of the court?" It goes on to say that 84 per cent of the cases that went to trial had a trial date set within five months. That again is part of the ambivalence, because I do not understand the import of that statement.

Then it goes on and says, "One disconcerting feature of the provincial court (civil division) is the large number of adjournments, a problem which will be discussed below." I am going to take a minute or two when I come to it. "Even with this large number of adjournments, however, it can be fairly said that there is little unnecessary delay in the provincial court (civil division) proceedings." I do not know what that statement means, because the adjournment rate is horrendous in that court.

When we add to it claims that are filed in the court for which the defendant does not appear at all, and when we add on top of that the statistical information with respect to the adjournments, then we do have trouble coming to the conclusion that this has been a success. I would have liked the report simply to address the factual situation without making some qualitative, evaluative statement about success or failure.

It goes on, in the conclusions, to state: "On the question of expense, the expenses incurred

by litigants would appear to be mainly time taken off work and fees paid to lawyers or agents. Fees for entering and serving a claim in the provincial court (civil division) are fairly low and are generally recovered by the successful party."

What have we accomplished? A day off work, in my judgement, is not just one day; as a practical matter it probably means two to three days off work. That is difficult enough to arrange in these times with your employer, and the hours are not convenient for most working people. Then the fees paid to lawyers or agents are the very guts of what we are trying to say about the court. We wanted to eliminate those costs. We wanted to make certain that ordinary people had access to that court on an acceptable basis.

"More than half of the litigants who responded to the litigant questionnaire reported that they had taken time off work to appear in the provincial court, civil division; almost all of them said they had taken at least one day off work." It is a real penalty in this province to take a day or more or a week or three days or two days or whatever it is off work, both with respect to the loss of pay and with respect to the difficulty of making those arrangements, let alone the concern about having to appear in the court.

There is some dissertation on the effect on the county court case load, which was one of the goals, and of course the report states that it was not able to assess that matter at all. "While much of the above is purely speculative, we are, unfortunately, reduced to such conjecture and speculation in the absence of recorded, quantifiable information," that for practical purposes that particular goal has not yet been either established as having been attained or not attained. Again, the ambivalence comes through when only 23 per cent of those who pursued their claims in this court would have bothered to go to the county court if this project were not available.

11:50 a.m.

Then there is a significant and valuable dissertation with respect to the court being used as a statutory form of a debt collection agency. That has been a matter that has been discussed forever in this assembly. That question is, is it simply that the state has established a statutory debt collection agency and that is all it is about?

The report has some very valuable points to make about that. It seems to reinforce what all of us have been really worried about over the

years when it goes on to say, "Nevertheless, it must be realized that in the vast majority of provincial court (civil division) cases no one appears in court and, indeed, the defendant does not even bother to enter a defence." In a sense it is a statutory form of debt collection agency. I do not know what the answer to it is, but it is obvious that this experiment has not found the answer to that problem. I think we have to look at it in very serious terms with respect to the people in the riding of Riverdale.

It goes on in the same vein, "The rules of the provincial court (civil division) anticipated this problem"—that is, the statutory form of debt collection agency—"to an extent by the inclusion of rule 29, which provides for an admission of liability followed by a hearing to arrange terms of payment."

One would have thought that was an immense step forward for people to say: "Yes, I do owe \$2,000 on my credit card, or I do owe this number of dollars but the times do not permit me to pay it all off. I want to arrange an acceptable form of payment." The report goes on to state: "Unfortunately this rule has been very seldom used, presumably because it is largely unknown. A positive step that could be taken would be to make the existence of this rule more widely known, perhaps through credit counselling agencies."

As I stated, the whole question of the value of this court is still open for discussion. I happen to support it because it is the first definitive movement that we in this assembly and the ministry have taken in many years to try to talk about ordinary, everyday people's problems with respect to relatively low monetary limits but matters which, the minister knows as well as I do, are of immense importance to the ordinary citizen.

Indeed, anyone who would suggest that a \$1,000 or \$2,000 claim is a negligible matter does not understand the world in which we live, because those are very disastrous claims. The lack of capacity of the court to say, "Look, you owe the money but these are the terms that can be arranged for settlement," and the fact that the court does not appear to have been able to move significantly in that area is a matter of severe concern.

I do not intend to go on much longer. It goes on to talk about adjournments. A large number of the cases are adjourned on the day set down for trial. Of cases appearing on the daily list for trial, 45 per cent were adjourned at least once and 21 per cent were adjourned twice. I do not

understand that. I do not mean by that that I have any magic solution. If I were in the position of the Attorney General I would not have any magic solution, but it is a problem that simply must be addressed.

I quote from the report: "The court clerks estimated that while seven cases per day were scheduled, only three would actually be heard." That seems to be a matter that the assembly should understand is of severe import, if we are talking about efficient administration of the courts.

It would be very interesting, taking the number of claims that are filed in the court and the few people who actually enter a defence to them—and then one comes to the question of representation in the court, let alone being able to go oneself and deal with those who come before the court—to find out what the relationship is between representation and adjournments.

In other words, what is the relationship between those who seek out the assistance of a lawyer, because they happen to know there is a lawyer on the other side or because they feel disconcerted or concerned about the matter, and the legal profession in requesting the adjournments?

It is something every lawyer takes pride in every day. It would be highly unrealistic to expect every case in the provincial court to be tried on the date mentioned in the first notice of trial that is set out. That is part of the bible we learn in law school. However, it does not make sense to the ordinary citizen who is not a lawyer. A lot of people would say, "Yes, it is quite realistic to have the matter dealt with on the day that it was set to be dealt with." Most people would say that was common sense.

However, we who are brought up in the tradition that delay is justice, rather than expedition is justice, would well understand that because it is part of the principles that are inculcated in each of the law schools of the province, the speedy settlement and the closing of a file is the last thing to be desired at any given time.

The sending of a series of interim accounts to the client is, of course, a most important part of the process of delay, and there should be a rule that says that until the file is closed and put away, no lawyer can demand any money for anything. There would be an immense improvement in the administration of justice in the province. I speak as one who has practised in that tradition and am just as subject to criticism

as even my friend the member for Oriole (Mr. Williams) would be about a matter such as that.

The current situation in the civil division of the provincial court, however, is alarming in that it appears to be uncontrolled, leading to inefficiency and expense for both the courts and the litigants. It is extremely difficult to understand how the people who did this valuable study could talk about it as a highly successful experiment when that kind of statement is in the report. I am not putting down the report. I think it is an absolutely essential study, and I am deeply indebted to those who made it.

I have gone on at sufficient length to say that I accept what we have talked about for a thousand years in this province. The final conclusion is, "The 'debt collection' aspect of provincial court (civil division) may become a source of public debate; this evaluation can go no further than to say that there is nothing to indicate that the court is used to 'victimize' debtors."

That could have been said about the small claims court 50 years ago or 100 years ago. It does not answer the problem. I do not happen to be as sanguine about the court. I end up where I started. I support the concept. I look forward to the day when the small claims system is abolished. I look forward to the day when the specific work of this court, and the imaginative initiative which led to it, is an important part of the system of the administration of justice.

I want to tell the Attorney General that he has to provide the best judges in that court. A number of appointments in that court have been very good but he must not provide second-class status for the judges who are sitting day in and day out in an experiment to bring about significant and substantial improvement in the resolution of monetary claims which affect so many people.

12 noon

I would personally like to see, for example, the Chief Justice of Ontario, the Chief Justice of the High Court and the senior judge of each of the other courts assigned for six months to be the judges in that project so they would bring their experience from the high elevated positions they occupy to bear upon the everyday concerns of ordinary citizens.

If the Chief Justice of Ontario, the Chief Justice of the High Court, the senior judge of the provincial court, criminal jurisdiction, and the senior judge of the provincial court, family jurisdiction, along with those judges sitting in that project spent six months working in those courts, I think they would not tolerate—at least

I hope they would not tolerate—the inability of the system of the administration of justice to deal with this kind of problem.

To end where I started, it is a fundamental inconvenience for a person in the riding of Riverdale, despite the efficiency of the Toronto Transit Commission, to have to deal with his claim by taking time off from work to go out to the Scarborough court. It would be better if the court sat in the evening, or on Saturday, or if it were at College and Yonge streets. Then it might well be a person in the area I represent would say: "At least it is a convenient place to go and if there is an adjournment I do not lose the whole day's work. I only lose half a day if nobody has had the courtesy to tell me about it."

I think I have indicated my ambivalence. I support the bill. My colleagues in the New Democratic Party caucus support the concept of the bill and I support the amendments of my friend the member for Kitchener (Mr. Breithaupt).

Hon. Mr. McMurtry: Mr. Speaker, I would like to thank the Justice critics for their thoughtful and constructive comments with respect to this legislation and, most important, for their support for the amendments. It has been our intention from the outset to make it as clear as we can that the provincial court civil judges enjoy equal status with those of the provincial court, criminal and family. A number of administrative steps have been undertaken to ensure there is no doubt about that.

I have no difficulty with the amendments proposed by the member for Kitchener. Frankly, we had considered similar amendments with respect to the extension of the court. Some concern had been expressed on this side of the House about whether we might be creating unrealistic expectations as to when some of these courts might be extended elsewhere in the province, given some of our financial and other problems.

But we would like to look at these amendments over the weekend and we are quite prepared to entrench them in the legislation. We are interested as to whether there may be any other consequential amendments that may be necessary as a result of these four, but I think we will be able to come up with a version when this bill goes to committee of the whole House. I assume that will be early next week. We will certainly accommodate the intentions behind the amendments proposed by the member for Kitchener, if not precisely in the terms he used.

We will look into the first matter raised by the member for Riverdale (Mr. Renwick) regarding

accessibility of the small claims court to members of his riding and people east of the Don River. We will take this matter up with our court administrators and, of course, he will be very welcome to discuss this matter directly with Mr. Ron McFarland, who is the court administrator charged with the responsibility of administering these courts.

I am rather intrigued by the comments made in relation to the very term "small claims court." This has been a matter of some internal debate. Some of my advisers feel many members of the public perhaps are more comfortable with the term "small claims court" than with the term "provincial court (civil division)." The view has been expressed that they feel more comfortable and somehow less intimidated. The name "small claims court" encourages individual citizens, ordinary people, to make use of this court. Changing the name might actually discourage potential litigants from making the proper use of these facilities.

I have no view on the matter. I only mention it at this time because I think it is an interesting issue for further discussion. I wanted to make it clear why we had retained the name at least up until this time. It was not in any way to trivialize the importance of the issues determined in this court, but simply to make ordinary citizens, who are quite familiar with the term, feel as comfortable as anyone can be in going to any court, in issuing their own claims in this court.

We want to create a court that will encourage the individual citizen to resort to it without having to go to the expense of hiring a lawyer. Some have expressed the view that the name "small claims court" encourages this initiative. They were interested in knowing what influence if any the name "provincial court (civil division)" has had on making people feel they require legal assistance. But all of these matters will continue to be considered.

The authors of the report, Anne Cavoukian and Steve McCann, are here and will have appreciated the compliments that have been directed towards them with respect to their report. Also, I am sure they will find the comments of the Justice critics to be of great interest as we pursue the consideration of many matters related to the efficient operation of this court.

There are some other comments I would like to make. I do not know at what point we are expected by our House leaders to be downstairs to conclude the 49 minutes left in the Attorney General's estimates. Perhaps it would be suffi-

cient to say that I found the comments to be very interesting.

To take an example, the issue of adjournments is one that has been of great concern to us. We have recently hired a trial co-ordinator to help reduce the number of adjournments. When we talk about trials being completed within six months, that is a relative term, particularly when one considers that a much longer time is usually required in other courts and considering that it includes the time required for service of the claim and the time for response. It is not a bad target date—which is not to suggest we would not like to see these cases dealt with sooner. I recall that a very significant percentage—I will have to check the report—has been dealt with in three months.

12:10 p.m.

Because of the time frame we are apparently operating within, I would like to conclude my remarks by saying I think the importance of this court certainly is reflected in the quality of the appointments that have been made. I personally have been very pleased with the high quality of the candidates who have come forward prepared to accept appointments to this very important court.

Mr. Renwick: I agree with that.

Hon. Mr. McMurtry: I appreciate there is no disagreement about that. They are small in number and as a result they are not as well known as the judges of the other courts. We are very fortunate in having an excellent group of men and women who could make a significant contribution at any court at any level. The fact they are serving in this court is an indication of the importance the Attorney General of this province and the ministry give to this court and the accessibility to the justice system of the individual citizen in our province.

Motion agreed to.

Ordered for committee of the whole House.

CONCURRENCE IN SUPPLY, OFFICE OF THE PROVINCIAL AUDITOR

Mr. Bradley: Mr. Speaker, I want to be extremely brief on this because I know we are within certain time constraints. But there is one thing I wanted to deal with this afternoon under this heading which I think is of great importance.

We here have always complained—and there have been certain columns written on the subject lately—about the fact that the Ontario Legislature does not receive the same prominence in media coverage as other matters do.

We have a press gallery here which covers all events that take place in the House and in committee but unfortunately many of these items, when they reach the editors, are either cut or put on the back pages in the case of the written media, and in the electronic media are often put well down among the items shown on national television or heard on the radio.

The reason I mention this is the great deal of fanfare given the federal auditor's report when it was released. There was one full page on it in one of the Toronto newspapers, and many of the other newspapers and the electronic media in the province gave considerable coverage to that report. I think it was on the previous day that the Provincial Auditor's report was published and received the coverage it usually does on page 36 of many newspapers.

The government members would like to suggest that is because there is not as much controversy in the report. I would suggest once again that the provincial Legislature of Ontario is not viewed with as much importance as a provincial legislature would be in many other parts of this country.

Mr. Boudria: That is the way the government likes it.

Mr. Bradley: Certainly that plays into the hands of a government which has been in power 40 years and that is just one of the reasons. I do not want to be political this afternoon. I just want to deal with one aspect of the Office of the Provincial Auditor which militates in favour of a change to the Audit Act.

Page 105 of the annual report of the Provincial Auditor of Ontario, dated March 31, 1982, talks about subsidiaries of crown agencies. It reads as follows:

"As covered in section 3.4 of our 1981 report, we sought a legal opinion from the Deputy Attorney General as to whether wholly owned subsidiaries of crown agencies fell under the definition of crown-controlled corporations per section 1(e) of the Audit Act (see exhibit 1). On July 21, 1981, we were advised as follows by the Deputy Attorney General:

"It is our view that there is some difficulty in characterizing the subsidiaries. . . you refer to as crown-controlled corporations. It is our view that ownership of the shares of the subsidiaries would be held to be vested in the parent corporations and not in Her Majesty in right of Ontario. This interpretation is not free from doubt. I would recommend that the matter be clarified by an amendment to the legislation."

"As a result of the foregoing opinion, the

following subsidiaries are not considered to be crown-controlled corporations and have not been included in exhibit 7 of the report:

"Subsidiaries of Northern Ontario Development Corp.: Minaki Lodge Resort Ltd., Minaki Development Co. Ltd., Thunder Bay Ski Jumps Ltd.;

"Subsidiaries of the Ontario Energy Corporation: Ontario Energy in Transportation Ltd., Ontario Energy Resources Ltd., Ontario Alternate Energy Ltd., Ontario Powershare Ltd.;

"Subsidiaries of Urban Transport Development Corp. Ltd.: Metro Canada Ltd., Toronto Transit Consultants Ltd., UTDC Research and Development Ltd., UTDC Services Inc., UTDC (USA) Inc.

"In our 1981 report, we suggested that, if it were the desire of the Legislature that such subsidiaries be treated as crown-controlled corporations, an amendment to the Audit Act be recommended by the standing public accounts committee. It is expected this subject will be covered during a fall meeting of the committee dealing with the accountability of crown corporations."

The committee has, indeed, talked about this. It is clear there is a need for an amendment to the Audit Act. Certainly the federal experience has shown us that there are many problems with the subsidiaries of crown corporations. If we were able to get at it through the provincial act, we might find many problems existing here and be able to look at them and correct them.

There is always the danger of embarrassment to the government when we find out that their subsidiaries are not operating as efficiently or in a manner that we see fit, but we in the public accounts committee like to think we are dealing with matters so that they can be rectified and improvements effected, as they are in many cases once we bring them to the attention of the various ministries or those responsible.

I make that comment in my brief remarks this afternoon on the Office of the Provincial Auditor in the hope that those on the government side will listen very carefully to our proposal for a change in the Audit Act.

Resolution concurred in.

The Acting Speaker (Mr. Cousens): Would honourable members in the House have any objection to the doors being opened so the background sounds of the choir and organ can waft in? If it is too loud, I will ask to have them closed; but there is a touch of Christmas outside.

Mr. J. M. Johnson: Excellent idea.

Mr. Bradley: How can we be nasty in our remarks?

Mr. Philip: Mr. Speaker, can we have an agreement to have no interjections for the next 45 minutes? That also will help us to hear the music.

Mr. Cassidy: I have a point of order, Mr. Speaker: Will you assure us that the interjections from below will be recorded by Hansard as a counterpoint to the debate?

The Acting Speaker: I would not make such an assurance.

CONCURRENCE IN SUPPLY, OFFICE OF THE ASSEMBLY

Mr. Cassidy: I was planning to join the choir in the Hallelujah Chorus. If they begin while I am making this speech, perhaps you will excuse me.

Mr. Boudria: On a point of order, Mr. Speaker: Do you not normally start the rotation from the official opposition?

The Acting Speaker: You were not first to stand, or you did not stand fast enough. Certainly, I will come back to you very quickly.

12:20 p.m.

Mr. Cassidy: Mr. Speaker, I have two or three comments to make about this concurrence. As a member for 11 years and as someone who cannot help but have some regard for this chamber and what it represents as Ontario's version of the parliamentary system, I have been concerned for a long time about the inadequacies of the assembly.

I was a member at one point of the select committee on the Camp commission which looked into many of those problems. I am afraid the kind of focus and priority we wished the assembly to have in our reports some six or seven years ago has yet to be achieved. Since the government House leader is here I will address my comments to him through you, Mr. Speaker, because while there has been progress in some areas, I think the dangers of the chamber becoming irrelevant and of its being ignored are something the government should be very much aware of.

While it may be convenient in the short term for the government to ride roughshod over this place or to ignore it and simply to use it as a place that validates what has been decided outside, I think in the long run it hurts us all. Members on the government side are also members of the parliament of Ontario, and if

the parliament of Ontario is weakened, then democracy in the province is ultimately weakened.

I will make a positive comment first. Some six or seven years ago in our reports the select committee on the Camp commission made a number of recommendations with respect to the legislative library. I have had occasion in the last few months to use the library quite extensively in research, bibliography and that kind of thing. I think we can be pleased with the progress that has been made in the legislative library. It was literally back in the Dark Ages when Mr. Land and some of his staff began to institute some reforms. I think there were some problems with leadership and a lack of focus there, and I think the library has been able to come a long way in providing assistance to members and in providing research support. One would hope that support is reflected from time to time even in the debates around here.

But while that is the case, in other respects the Legislature, if anything, has lost rather than gained ground over the course of the last six or seven years. I read in the paper last night that the Minister of Industry and Trade (Mr. Walker) has now engaged a series of management consultants to help the government—and I suppose that means to help the Conservative Party as well—map out an industrial direction for Ontario over the course of the next 10 or 15 years. They are preparing studies, having internal seminars and doing all kinds of things like that in order to see in which direction policy ought to go. They are spending, one would assume—since those consultants do not come cheap—tens if not hundreds of thousands of dollars on this endeavour in one ministry alone.

With respect to the contribution that members in this place can make, in the first place it is seldom the case that anybody beyond a parliamentary assistant on the government side would take a specific overall interest in the work of a particular ministry. Members over there may be concerned with the programs or the delivery of services from that ministry in their particular regions, but as a rule, government back-benchers have not taken much of a leadership role in suggesting new policy initiatives in a more general way.

In the official opposition and in the third party normally we have a critic for each department. The critic has some support, possibly, from an informal outside group and generally has a certain amount of research support from the caucus research offices. But the caucus research office in the case of the Liberals

consists of maybe eight to 11 people; maybe, therefore, they can afford to devote a quarter or a half of a researcher's time to concern about the work of an important department like the Ministry of Industry and Trade.

Members, as we know, have their attention divided among many responsibilities. They have to represent their ridings, do their work in caucus and so on, and this means that from each of the opposition parties only limited attention is given to many of the departments of government.

Some months ago in the federal Parliament they faced this problem and decided it was about time parliamentary committees began to do something on policy development, not just in looking at legislation. One of the successful innovations that came after the 1980 election—when there were a lot of members cooling their heels who did not know what to do with themselves—was the formation of parliamentary task forces. I think there were about seven or eight on such subjects as manpower planning, the disabled—a particularly good report was produced on the disabled—and on the area of export marketing. I forget what the other ones were about.

What was notable about those reports was that they were produced quickly and efficiently, the committees were kept relatively small so that they could move around and get from one part of the country to another, the public had a chance to provide its input and there was research done as well. I think those federal parliamentary task forces made a valuable contribution in terms of suggesting directions for policy which the federal government should follow.

When a ministry like Industry and Trade, which is an important ministry in this province, basically is floundering and saying, "We do not think we know what the directions ought to be," it seems to me policy input should be coming not just from hired guns—from management consultants and people like that—but from this chamber. Right now this chamber is simply not equipped in its traditions, its practices or its resources to play that kind of role. I think that is bad.

Back in the spring I suggested the formation of a select committee of the Legislature on the impact of technological change. Perhaps what happened is characteristic of the problems of getting focus on what happens here. I had spent a month or two developing a number of ideas and fitting them into the policy process. Among

other things, I suggested it should go further than just one member spending a bit of time on an area important to the future of the province.

My speech was not recorded in the local daily press, with the exception of the *Toronto Star*, nor, I regret, in the *Ottawa* newspapers. The idea that it would be important and useful for the Legislature to form such a committee was simply brushed off or ignored by the government side. Like it or not, given the majority situation, it is the government that makes decisions about whether the Legislature will have its role expanded or not.

In recent months there have been suggestions that it is about time—it is long overdue, in fact—that there be a committee of the Legislature or a select committee looking at the economic future of Ontario. That, too, has been rejected by the government. One has to assume the reason it has been rejected is that they do not like anybody walking on to their turf.

None the less, I think it is probably a product of the debate that has been going on in this chamber in the last two months, the pressure coming from the opposition parties over the economic situation and the need to create jobs, which has led to the very substantial changes in the point of view expressed by the Treasurer (Mr. F. S. Miller).

Back in the fall, he was adamant that no extra money was to be spent, that no problems really existed and that recovery was just around the corner. At Meech Lake, at the meeting of finance ministers yesterday, he in fact admitted that there is now a very urgent need for job creation projects to take place in this province as well as elsewhere in the country.

What kind of things should be done? What should we be doing for the long term as well as the short term? It seems to me it should not be just in the confrontation of the day-to-day debate and question period that these issues are raised—often they do not seem to be having any impact at all. In the slightly less confrontationist atmosphere of a committee it should be possible for an issue like that at least to be ventilated. It should be possible there for different people—academics, trade unions, manufacturers, business people, public service and public interest groups—to make their contribution and for the Legislature to serve as a vehicle by which ideas can be developed.

I think that could be more efficient as well. Back in the early 1970s I was a member along with the former member for York South on a select committee of the Ontario Legislature on

the Ontario Municipal Board. It came up with some recommendations that I think were excellent. It also produced a unanimous report in the course of only six months.

We then recommended that we be empowered to look at the Planning Act. The government thought we might meddle too much with the Planning Act and rejected the suggestion. Then it spent a period, which is now close to a decade, having work done by consultants and task forces and that kind of thing. Had it accepted the initiative coming from the committee, that work might well have been completed in the course of only two or three years, if not less, by the work of a group of strongly interested MPPs with some research support.

12:30 p.m.

That is an example of where legislative involvement would be important, not only because there was the problem of engineering consent and persuading people to look at the problems realistically but also because in terms of efficient use of resources we could have done it in a fifth of the time and, I suspect, for a fifth, if not a 10th, of the money.

The facts are that the resources available to the Legislature and to individual members and caucuses are too limited for that kind of thing to go on. I believe the imbalance between the resources available to the members and caucuses of the opposition parties and the resources available to government has become even greater over the course of the past five or six years.

If one looks in the government phone book, there now is an endless profusion and proliferation of policy analysts, research departments and other people whose job it is to provide policy advice and direction to the government. God knows they need it. There are tremendous resources and perhaps several thousand people available to government. There is a proliferating network of data bases and other computer-based services, and senior managers are weekly taking courses in how to use these for more effective decision-making and policy-making on the government side.

As far as this place is concerned, on the other hand, we still have a system that is essentially little different from the system that prevailed in the Legislature 30 or 40 years ago.

Granted, Hansard now is using word processing and computer technology rather than just using typewriters or shorthand transcribers. We now have a sound system that is a shade better than the system that was here way back in the 1970s. We do not even have translation avail-

able. We get a full television service in the Legislature only at the time of the throne speech and when there are major announcements on the budget.

In terms of the resources available and in terms of information, we are all bogged down in the mass of paper that comes across our desks every day. Everything that is done in terms of the work of this place is recorded on paper, whereas a number of legislatures, and I think notably of the Alaska Legislature, have moved to a system that uses electronic systems to make the work of the members and support staff more efficient.

The government House leader (Mr. Wells) is here. I am sure he knows how I feel, because I have not really differed in this view for a long time. I do not think, now that we have a \$22-billion government, that we can continue to work as though this were a Legislature of the 1950s or the 1960s when government was small and the work of the assembly was correspondingly much smaller and much less important than it is today.

In a parliamentary democracy, I think it is taken for granted that 98 or 99 per cent of the actual work is going to be done by public servants who work under the direction of the political masters chosen through the electoral system. But it is a mistake to assume that because that is the case, therefore 99 per cent of the importance should go to the work of the public servants.

The work of the parliament is important to give the overall system legitimacy and to provide a window on a system that otherwise could become too closed, too rigid, too ossified and too insensitive and fail to respond to real needs in the community of our province. Whether we are perpetually or partly perpetually in opposition, or in government or whatever, we all ought to recognize the importance of what goes on here. I do not think that is done right now.

As someone who has spent a lot of time on this problem in the past 10 or 11 years, I have to say that at times I almost get a bit resentful when out of its budget, some government ministry can afford to send three or four policy analysts off to some important meeting on its particular area being held in San Francisco, Miami or perhaps over in London.

My resentment is not because it is not important in terms of the professional or career development of those people or the contribution they might be able to make, but because I think the members of the Legislature have a

great deal to contribute as well. Those kinds of things never happen as far as the Legislature is concerned, unless it is a parliamentary assistant accompanying a minister on one of his extra-Ontario junkets.

The third thing I want to say is in relation to the question of television coverage of the Ontario Legislature. I was on the Camp committee when we recommended that television be permitted into the Legislature. That was in 1975-76. At that time, I will be frank, part of the reason we choose a very limited system, which was simply to allow the cameras to be set up on the gallery facing you, Mr. Speaker, was that we thought, given the conservatism of the institution, that the best thing to do was to let the cameras in and then let things evolve from there.

We thought that once we had accepted the principle that it was important that the people's business in Ontario be done under the most pervasive and influential medium—that is, under the eye of the TV cameras—then an improved system would develop from there. We were proved wrong, because the system that was introduced has simply stayed stalemated at that level.

Where we only had four or five cameras back in 1976, now we have eight, nine or even 10. They sit up there and look like a director's nightmare from the 1920s, back in the days when they had newsreel cameras all over. The results are patently inadequate.

I have been watching the coverage of the chamber on the TV news these past few nights. It looks like a throwback to the 1950s, when they ran the Jackie Gleason show. On colour television, it comes out an eerie blue. It is in colour, I suppose, but it is barely discernible as colour.

The camera angles are absurd. The lack of hair on the members is rather cruelly exposed, because the major things one can see are the temples and the pate and not much else as a result of the direction from which the film is shot. This is true for members like the Minister of Correctional Services (Mr. Leluk)—

Mr. Philip: I believe the member for Prince Edward-Lennox (Mr. J. A. Taylor) has a point of privilege.

Mr. Cassidy: The camera angles even on the Premier (Mr. Davis) and the Leader of the Opposition (Mr. Peterson), who essentially have the best positions to be photographed from, are such that if they walked full-faced into any room they probably would not be recognized, because

the cameras see only the profiles of the Premier and the Leader of the Opposition.

My friend the leader of the New Democratic Party is basically indistinguishable from Robert Redford, because all one can see is his hair.

An hon. member: Redford is a better politician.

Mr. Cassidy: Redford has better hair. Who said that anyway? Be it recorded that there is a Liberal interloper, the member for St. Catharines (Mr. Bradley), on our benches over here.

An hon. member: It doesn't count as an interjection then.

Mr. Cassidy: The point I want to make is that we now spend more than \$20 million a year on TVOntario, which is providing the good service—I hope the government House leader does not go too far—and we spend somewhere between \$35 million and \$45 million on various kinds of advertising by the government in terms of the "Preserve it, conserve it" campaign and all the other campaigns. Under those circumstances, we are spending \$50 million to \$75 million in various ways to inform the people of the province about what the government is doing, among other things.

I do not believe the question of funding an improved television system is at issue. What we are talking about is the question of priorities. Is it a priority to have yet another campaign with 20 people on unicycles? Is that more important than trying to give a better focus on the Legislature and providing the legislative sessions in such a way that they can be fed on to the cable television systems in the same way that question period now is available on cable television in Toronto and across Ontario from the Parliament of Canada?

I happen to believe that if there is any feeling left that this place is important, a system providing a direct feed that could be taken by the TV stations across Ontario, even by those that do not always necessarily find themselves represented up in the Speaker's gallery, would allow important debates to be tape recorded at all times, and not just when one goes to the trouble of setting up the booths for the budget and the budget replies. I think that is vital. It is about time we went ahead and did it.

Technology has advanced to such a level that Saskatchewan now has a system which it expects to be able to run at maybe one fifth of the manpower and production cost per annum of the systems that exist in the Quebec National Assembly and the federal Parliament.

These things suggest to me, in addition to

what the standing committees on procedural affairs and members' services are doing on this subject, that what is needed now is a simple declaration by the government on January 17, when we come back, to say, "We have thought about it over Christmas, and we are now prepared to get a task force from the three parties to sit down with the Office of the Assembly and with the appropriate technical people, maybe from TVOntario, and actually do it."

12:40 p.m.

It would take a year or more to find out where to put the cameras. There would be some problems in terms of structural changes to put robot cameras in. A certain amount of negotiation would have to be carried out to make sure that the system was fair and treated each of the parties fairly; but those problems clearly can be ironed out, as they have been ironed out now in four or five legislatures and parliaments across Canada, and as we were able to iron out the situation about having the cameras come in here at the very beginning.

The importance of having televised coverage is that it is the major means by which people get their information these days. Right now, they see the Legislature on television as a kind of caricature, a kind of joke. Certainly the view that is given by television lends credence to the idea that this place is essentially irrelevant. Having better television facilities is not going to turn that around all at once. It will, however, ensure that other people besides the Premier, the Leader of the Opposition and the leader of the third party get on the tube from time to time.

As happened in Ottawa, people would be able to watch question period and see what goes on. Perhaps some of the slightly juvenile behaviour that is occasionally found in this place would diminish as people watched the Legislature more often, rather than just seeing the occasional clip of the Legislature taken from question period. When there are major debates, I think this chamber has proved it can rise to the occasion and make quite gripping television. I have in mind the cable television coverage of the Constitution debate in this chamber two or three years ago.

It might be appropriate to consider having one of the committee rooms, perhaps the Amethyst Room, also equipped for television, so that when a committee was carrying out work that was particularly important its work might be available for television or even broadcast via cable or made available in the off-hours to the TVOntario network.

Those are all ideas, and in this concurrence I simply want to say it is long past time that we put adequate television into this chamber. Not only are we denied resources—and that is a problem—but also there is a real denial of focus on this chamber. I think that is very dangerous in the long run, even with regard to the government, if the government quietly predicts it is going to be around for about 10 or 20 years.

To the extent that the chamber becomes weakened, it will encourage anti-social and dysfunctional behaviour, some of the juvenility we have seen or, I fear, some of the parliamentary confrontation we have tended to see over the course of the past few months.

As the Legislature weakened, if that were to happen, that in turn would undermine the legitimacy of the government itself at the provincial level in Ontario. That is a very important danger and a real threat. I do not want to see the legitimacy of government undermined in that way, because in the end I think all the people we serve will suffer as a consequence. If they do not believe that government is legitimate, they will be less likely to agree voluntarily to uphold and obey the laws and regulations that we pass here and civil servants are responsible for promulgating. That means we will move towards a system with more anarchy and more difficulty than the situation we have now.

I do not want to put the threats too loudly or too vividly. I simply want to suggest in a constructive way that it is about time this Legislature as a whole took the decision in principle to have improved television facilities that will provide an electronic feed to the cable networks and the television stations across the province, which will provide the potential for an electronic Hansard, and will ensure that medium can serve the people of the province with news of the Legislature in a more adequate fashion than it can today.

Mr. Boudria: Mr. Speaker, I want to take only a few minutes to express some very personal views on the functioning of this Legislative Assembly. I want to stress that they are personal views as opposed to those that may or may not have been discussed previously by other members who have spoken on this or who may speak on it after I do.

I am very concerned with what I consider to be a lack of respect for this great institution. I do not mean that necessarily to reflect only the incidents we have seen recently in the public galleries, although that is one of the areas I am concerned with. I am concerned when I see the

public in the galleries failing to respect the Legislature to which they themselves have elected members. That worries me. I feel, when that kind of thing happens, democracy is threatened. However, I think respect for this Legislature must take a far broader format than just trying to impress upon the public of this province that they must not heckle from the public galleries.

In that regard, I want to take a moment to discuss this whole issue of the television cameras we see in front of you, Mr. Speaker. We see seven, eight or 10, or however many cameras are there, often disturbing the procedure of the Legislature, making a lot of noise. Many times I have wondered whether the member for Ottawa Centre (Mr. Cassidy) or the member for Wilson Heights (Mr. Rotenberg) was going to get a camera on the head if somebody ever dropped it from above. I think that whole procedure tends to take away from the importance this Legislature should have.

Another area that concerns me very much, and I will try to say this in a nonpartisan way, is the way government has, either purposely or otherwise, allowed itself to think the Legislature is only for government and not for members. In saying that, I must bring one thing to your attention, Mr. Speaker, because it involves the office of the Speaker itself. I have considered for a long time whether I should raise this in the Legislature, and I decided I would.

You no doubt will remember, Mr. Speaker, that on September 7 of this year the Premier of this province organized a reception for the annual meeting of the board of governors of the International Monetary Fund and the World Bank. It was held in this building.

All honourable members of this Legislature received in an envelope an invitation, such as I now hold in my hand, from the office of the Premier. There was a little piece of paper attached to that invitation that said something very disturbing, and I think everybody should pay attention to this. It said, "No admittance without proper identification."

There was nothing else described there, but what that meant, and we know it now, was that anyone attempting to enter this building was supposed to wear the little blue sticker I have in my hand. It would allow someone to enter the building. I, for one, had not taken this with me when I left the building the previous day. I attempted to re-enter the building and was refused admittance to the Legislature.

12:50 p.m.

I consider that to be very symbolic and very important. I do not think anyone has the right to refuse me admittance to this building. The only exception would be if a majority of my colleague members decided I was to be expelled and no longer readmitted to this place. History will tell us that one such gentleman was Louis Riel, who earlier on in the history of our country was subjected to this kind of thing. I do not believe there was ever another member, and perhaps other members can correct me and tell me whether this has ever happened. But I felt like that gentleman on that day when I was refused entry to this building because I did not have the card.

It would not have been half as serious if that card had been given to me by the Speaker, but it was not. It was distributed by a public servant—I believe his name is Mr. Westcott—who works in the Premier's office. It is very dangerous when that starts to happen in the Legislative Building. It undermines one of the very fundamental principles of democracy, that elected officials have the right to enter this building. We should all think of that sometimes. In all our actions each and every one of us, whenever we do anything in this building, should try to think of it in the context of what it is doing to specifically that.

I have had this card; I kept it. The next day I put it in a secure place. I always felt I should bring this up. I wanted to rise on a point of privilege and explain this to members of the House, but I did not feel it should have been done in that format, because we are usually cut off after 15 or 20 seconds of attempting to explain such a point. Today I felt that much more time would be afforded to me to explain what I am saying here. I say this not in an effort to attack the government in any way but, rather, in an attempt to show to each and every one of us how important the elected office that we have is and how we should respect in every way, shape and form the great office we hold.

In my view, this particular incident is far more important in that context than many others. Members sometimes will be expelled from the Legislature for a day for having made unkind remarks concerning another member and so forth; that has happened to some of my colleagues. But that kind of action is far less dangerous, I think, than what I personally experienced on that day. I do not know whether it happened to any other member on that day, but it happened to me at approximately three

o'clock in the afternoon on September 7 at or around the east door of this building.

I discussed it privately with the Speaker a number of days later and told him about the grave concern I had for this. Mr. Speaker explained that the party had been organized in a hurry and maybe they had not given this type of thing as much attention as they should have. But it may be the first thing that should be thought of before doing anything in this building. If we are going to use this building as anything other than a Legislature, let us be sure that it does not in any way damage the legislative process. I would like to draw that to the House's attention.

I have other comments, but I know that some of my colleagues and perhaps others want to speak on this issue; so I will terminate my speech on this matter.

Hon. Mr. Wells: Mr. Speaker, I want to offer a couple of comments before we pass this concurrence.

I was very interested to hear the comments concerning the assembly made by several of the members. My friend the member for Ottawa Centre (Mr. Cassidy) is not here, but I jotted down what he said: "Democracy in this province is weakened if the operation of this Legislature is weakened."

I felt that on Wednesday evening the operation of this Legislature was weakened by the actions of people in the public galleries. I also felt that the safety of all members of this House was threatened at that time. Very thankfully, the things that were thrown down were not of a dangerous nature, but they indicated to all of us that what they easily could have thrown down here could have inflicted bodily harm on every member of this Legislature. I believe that must be addressed and addressed quickly by this House.

The clerks, the people at the table, and the Speaker are to be commended for carrying on with the recorded vote that was in progress, because democracy would have been threatened if that vote was delayed for one minute by the kinds of actions that were taking place in the Legislature.

The public's privilege to come here, and certainly we all want to have that privilege upheld, and watch their elected representatives in session is one we would all fight to have preserved, but with it goes certain responsibilities such as the responsibility to remain quiet and the responsibility not to endanger the members or to throw things on the floor of this House.

We must address that problem immediately, and not put it off. I just want to inform the Speaker and the House that I, as a member of the Board of Internal Economy, joined by my three colleagues from this party, will be proposing this Monday at our meeting that some action be taken: actions such as erecting plexiglass shields perhaps on the public galleries in this House and certainly a study of other actions that can be taken.

Mr. Bradley: Mr. Speaker, I wish to make a very quick comment on the matter I raised last Friday. In concurring with the thoughts of the minister, I hope we do not have to take some very drastic action, but it seems to me that all members of the House want to ensure the safety of those of us who are down here as well as the safety of other people in the gallery.

It is a distinct problem and is not, as the first minister pooh-poohed the other day, something that has gone on for a long time. All members now recognize, having seen the actions over the past few months, that it is pretty consistent.

One area I would look at very quickly is related to the fact that those who are repeat offenders indicate to members of the House that they do not want to be in the galleries for any purpose other than disrupting. When we break the law often enough we come under suspicion and sometimes are prohibited from doing the things we would like to do to exercise our liberties. I would like to look at that aspect of it.

I hope we do not have to go to barriers. I hope we do not have to go to removing cameras and things of that nature, but those who have taken that action in the public galleries have pointed in the direction of a need for alleviating this problem.

Resolution concurred in.

CONCURRENCE IN SUPPLY, OFFICE OF THE OMBUDSMAN

Mr. Van Horne: Mr. Speaker, I want to say a very few words about this order of business. I do not think there is any question that the heretofore rather quiet and withdrawn Ombudsman of this province came into the headlines through some of the activity that was discovered within his office, and I am referring to the charges of nepotism that stemmed from the select committee's determination to learn more about the spending, the salaries, etc., within that office.

For a variety of reasons, I was personally provoked to a point where I submitted to this House a resolution which said, "That the Provincial Auditor be required to perform a com-

prehensive audit including a program of evaluation of the functions and administration of the Ombudsman's office." I worded it in that precise fashion so that the Legislature would be aware of my concern and the concern of my colleagues on the committee and that we might get the support of the committee within this Legislature that could order an audit, and I am referring to the committee that is chaired by my colleague the member for Rainy River (Mr. T. P. Reid).

I believe we are at a crossroads as far as the office of the Ombudsman is concerned. Such an audit would assist this House in determining what future direction the Ombudsman's office should take, and that is most important. For example, the Ombudsman has spoken of further decentralizing and putting branch offices in other parts of Ontario. He now has his main office here in Toronto and two other outside offices, and he is intending to expand that.

Some of the criticism that has been directed to the Ombudsman may well be criticism that could be directed to his senior advisers and

staff. For that reason, given that the Ombudsman will either have to retire in January or have his term extended by an act of this Legislature, such an audit would be in the best interest of that very important office, that is, the Office of the Ombudsman.

Mr. Philip: Mr. Speaker, I will be very brief, since this may well be the last opportunity to speak on the matter of the incumbent Ombudsman.

I would like to put on the record, as I have told him personally, that many of the disputes I have had with him have been with his office rather than with him. I understand he is soon coming out of hospital and is recovering. Our objections were with the policy, not the person. I am sure all of us wish him well. We have the highest respect for him, and we know our comments were not taken personally by him.

Resolution concurred in.

The House adjourned at 1 p.m.

APPENDIX

ANSWERS TO QUESTIONS ON NOTICE PAPER

MINAKI LODGE

308. Mr. Eakins: Would the Minister of Tourism and Recreation indicate the total amount spent in projects that were done in conjunction with the renovation of Minaki Lodge, such as the repairing of the highway leading to Minaki Lodge and all other such ancillary projects? [Tabled September 29, 1982]

Hon. Mr. Bernier: Several northern development projects have been initiated by the Ministry of Northern Affairs concurrently with the Minaki Lodge project to benefit the residents of the Kenora-Minaki corridor generally.

Improvements to 85 kilometres of highways 596 and 596A will serve residents in the community of Minaki, visitors to the lodge, residents along the highway, and cottages and tourist resorts in the region. The highway work will also improve access to two hydro installations and the Islington (Whitedog) Indian Reserve. The cost of the highway improvements is \$13 million.

The airstrip has been used by tourists, visitors and others for many years. Improvement of the existing airstrip to a licensable standard improves safety conditions.

The cost of the airstrip improvements required to bring it to a class D licence standard is \$500,000.

Hydro improvements to serve the lodge and to improve out-of-service conditions which have been increasing in frequency in the area involved expenditures of \$720,000.

The total cost of the above projects is \$14,220,000.

309. Mr. Eakins: Would the Minister of Tourism and Recreation indicate the total amount of money spent on Minaki Lodge since its acquisition to the present, including both capital and noncapital expenditures? [Tabled September 29, 1982]

Hon. Mr. Bernier: Minaki Lodge is rapidly approaching completion as a world-class wilderness resort that will act as a flagship for tourism in northwestern Ontario generally.

As far as capital investment is concerned, acquisition costs were \$1,620,525; reconstruction costs incurred from October 1974 to June 1976 involved \$4,475,283; and the current construction program to date has involved expenditures of \$14,873,368. The total of these costs is \$20,969,176.

Hon. Mr. Baetz: Noncapital investments are \$2,964,947. These include maintenance and security from June 1976 until construction recommenced in 1980. They also include legal and consulting fees, property and school taxes.

LAND ASSEMBLY

405. Mr. Conway: Would the Minister of Municipal Affairs and Housing indicate the total amount that has been spent on the Ottawa (Carlsbad Springs) land assembly and what is the breakdown by year until the present for costs of land, administration fees and interest from the inception of the project until the present time? To what use is the land bank currently being put? [Tabled September 29, 1982]

406. Mr. Conway: Would the Minister of Municipal Affairs and Housing indicate the total amount that has been spent on the Cobourg land assembly and what is the breakdown by year until the present for costs of land, administration fees and interest from the inception of the project until the present time? To what use is the land bank currently being put? [Tabled September 29, 1982]

407. Mr. Conway: Would the Minister of Municipal Affairs and Housing indicate the total amount that has been spent on the Oakville land assembly and what is the breakdown by year until the present for costs of land, administration fees and interest from the inception of the project until the present time? To what use is the land bank currently being put? [Tabled September 29, 1982]

408. Mr. Conway: Would the Minister of Municipal Affairs and Housing indicate the total amount that has been spent on the Thunder Bay land assembly and what is the breakdown by year until the present for costs of land, administration fees and interest from the inception of the project until the present time? To what use is the land bank currently being put? [Tabled September 29, 1982]

409. Mr. Conway: Would the Minister of Municipal Affairs and Housing indicate the total amount that has been spent on the Windsor (Riverside) land assembly and what is the breakdown by year until the present for costs of land, administration fees and interest from the inception of the project until the present time? To what

use is the land bank currently being put? [Tabled September 29, 1982]

410. Mr. Conway: Would the Minister of Municipal Affairs and Housing indicate the total amount that has been spent on the Edwardsburg land assembly and what is the breakdown by year until the present for costs of land, administration fees and interest from the inception of the project until the present time? To what use is the land bank currently being put? [Tabled September 29, 1982]

411. Mr. Conway: Would the Minister of Municipal Affairs and Housing indicate the total amount that has been spent on the Bowmanville land assembly and what is the breakdown by year until the present for costs of land, administration fees and interest from the inception of the project until the present time? To what use is the land bank currently being put? [Tabled September 29, 1982]

412. Mr. Conway: Would the Minister of Municipal Affairs and Housing indicate the total amount that has been spent on the Windsor (Hall Farm) land assembly and what is the breakdown by year until the present for costs of land, administration fees and interest from the inception of the project until the present time? To what use is the land bank currently being put? [Tabled September 29, 1982]

413. Mr. Conway: Would the Minister of Municipal Affairs and Housing indicate the total amount that has been spent on the Nepean land assembly and what is the breakdown by year until the present for costs of land, administration fees and interest from the inception of the project until the present time? To what use is the land bank currently being put? [Tabled September 29, 1982]

414. Mr. Conway: Would the Minister of Municipal Affairs and Housing indicate the total amount that has been spent on the Hamilton Mountain land assembly and what is the breakdown by year until the present for costs of land, administration fees and interest from the inception of the project until the present time? To what use is the land bank currently being put? [Tabled September 29, 1982]

415. Mr. Conway: Would the Minister of Municipal Affairs and Housing indicate the total amount that has been spent on the Saltfleet land assembly and what is the breakdown by year until the present for costs of land, administration fees and interest from the inception of the project until the present time? To what use

is the land bank currently being put? [Tabled September 29, 1982]

416. Mr. Conway: Would the Minister of Municipal Affairs and Housing indicate the total amount that has been spent on the North Pickering (Seaton) land assembly and what is the breakdown by year until the present for costs of land, administration fees and interest from the inception of the project until the present time? To what use is the land bank currently being put? [Tabled September 29, 1982]

417. Mr. Bradley: Would the Minister of Municipal Affairs and Housing indicate the total amount that has been spent on the Cambridge land assembly and what is the breakdown by year until the present for costs of land, administration fees and interest from the inception of the project until the present time? To what use is the land bank currently being put? [Tabled September 29, 1982]

418. Mr. Bradley: Would the Minister of Municipal Affairs and Housing indicate the total amount that has been spent on the Milton land assembly and what is the breakdown by year until the present for costs of land, administration fees and interest from the inception of the project until the present time? To what use is the land bank currently being put? [Tabled September 29, 1982]

419. Mr. Bradley: Would the Minister of Municipal Affairs and Housing indicate the total amount that has been spent on the South Cayuga land assembly and what is the breakdown by year until the present for costs of land, administration fees and interest from the inception of the project until the present time? To what use is the land bank currently being put? [Tabled September 29, 1982]

420. Mr. Bradley: Would the Minister of Municipal Affairs and Housing indicate the total amount that has been spent on the Malvern land assembly and what is the breakdown by year until the present for costs of land, administration fees and interest from the inception of the project until the present time? To what use is the land bank currently being put? [Tabled September 29, 1982]

421. Mr. Bradley: Would the Minister of Municipal Affairs and Housing indicate the total amount that has been spent on the Kitchener land assembly and what is the breakdown by year until the present for costs of land, administration fees and interest from the inception of the project until the present time? To what use

is the land bank currently being put? [Tabled September 29, 1982]

422. Mr. Bradley: Would the Minister of Municipal Affairs and Housing indicate the total amount that has been spent on the Peterborough land assembly and what is the breakdown by year until the present for costs of land, administration fees and interest from the inception of the project until the present time? To what use is the land bank currently being put? [Tabled September 29, 1982]

423. Mr. Bradley: Would the Minister of Municipal Affairs and Housing indicate the total amount that has been spent on the Atikokan land assembly and what is the breakdown by year until the present for costs of land, administration fees and interest from the inception of the project until the present time? To what use is the land bank currently being put? [Tabled September 29, 1982]

424. Mr. Bradley: Would the Minister of Municipal Affairs and Housing indicate the total amount that has been spent on the Brantford land assembly and what is the breakdown by year until the present for costs of land, administration fees and interest from the inception of the project until the present time? To what use is the land bank currently being put? [Tabled September 29, 1982]

425. Mr. Bradley: Would the Minister of Municipal Affairs and Housing indicate the total amount that has been spent on the Kingston land assembly and what is the breakdown by year until the present for costs of land, administration fees and interest from the inception of the project until the present time? To what use is the land bank currently being put? [Tabled September 29, 1982]

426. Mr. Bradley: Would the Minister of Municipal Affairs and Housing indicate the total amount that has been spent on the Red Lake land assembly and what is the breakdown by year until the present for costs of land, administration fees and interest from the inception of the project until the present time? To what use is the land bank currently being put? [Tabled September 29, 1982]

427. Mr. Bradley: Would the Minister of Municipal Affairs and Housing indicate the total amount that has been spent on the Sault Ste. Marie land assembly and what is the breakdown by year until the present for costs of land, administration fees and interest from the inception of the project until the present time?

To what use is the land bank currently being put? [Tabled September 29, 1982]

428. Mr. Bradley: Would the Minister of Municipal Affairs and Housing indicate the total amount that has been spent on the Valley East land assembly and what is the breakdown by year until the present for costs of land, administration fees and interest from the inception of the project until the present time? To what use is the land bank currently being put? [Tabled September 29, 1982]

429. Mr. Bradley: Would the Minister of Municipal Affairs and Housing indicate the total amount that has been spent on the Whitby land assembly and what is the breakdown by year until the present for costs of land, administration fees and interest from the inception of the project until the present time? To what use is the land bank currently being put? [Tabled September 29, 1982]

430. Mr. Bradley: Would the Minister of Municipal Affairs and Housing indicate the total amount that has been spent on the Townsend land assembly and what is the breakdown by year until the present for costs of land, administration fees and interest from the inception of the project until the present time? To what use is the land bank currently being put? [Tabled September 29, 1982]

See sessional paper 311.

NORTHERN ONTARIO AGRICULTURAL STUDIES

648. Mr. Riddell: Would the Minister of Northern Affairs provide the following information concerning the northern Ontario agricultural marketing study announced on May 4, 1979:

1. The status of this study;
2. Have any reports been released by this study group and will the minister table all such reports;
3. The total cost to date for this study;
4. A list detailing all private consultant reports commissioned by the study group and their cost;
5. Will the final report of the study group be released as part of the Ministry of Agriculture and Food announcement on August 27, 1982, to design a comprehensive agriculture strategy for northern Ontario;
6. A list of all studies that have been undertaken by the Ministry of Northern Affairs or in conjunction with the Ministry of Agriculture and

Food on the development of agriculture in the north? [Tabled October 26, 1982]

Hon. Mr. Bernier: 1. The study has been completed. The steering committee, composed of northern residents involved in production and distribution of fresh fruit and vegetables, has presented its report to the ministers.

2. Much of the information gathered by the steering committee from the consultant's report and their own deliberations is being incorporated into a Marketing Handbook, for use by growers, potential growers and other industry people. The handbook will be published jointly by the ministries of Agriculture and Food and Northern Affairs, and made widely available. It was felt by the steering committee that this was a more suitable form of release of this information.

3. Total cost to date for this study: \$51,744.27.

4. There was only one consulting contract let: report, Northern Ontario Marketing Study; cost of report, \$40,440.35.

5. The information from the study is being incorporated in a Growers' Handbook which will be published.

In developing specific programs under the long-term strategy for northern development outlined on August 27, 1982, all available information will be taken into consideration and this would certainly include input from northern Ontario participants in the food production and distribution process.

6. List of all MNA agricultural development studies:

A. Undertaken directly by MNA—

(1) Drainage for agriculture in northwestern Ontario; prepared by R. W. Irwin, University of Guelph, 1979, for MNA.

(2) Northern Ontario marketing study; prepared by Lamb, Guay-Agrodev. Group, 1981, for MNA.

(3) Commercial potential for northern Ontario grown medicinal herbs; prepared by Thorne, Stevenson and Kellogg, 1981, for MNA.

B. Undertaken through other agencies—

(1) Part-time farmers in northern Ontario; prepared by Fuller, Keddie and Madge, University of Guelph, 1977, initiated by the Ontario Ministry of Treasury, Economics and Intergovernmental Affairs prior to MNA's being founded, but completed under MNA.

(2) Agricultural marketing opportunities in the Temiskaming area; prepared by James White, Inforesults Ltd., 1979, for the agricultural committee of Temiskaming Municipal Association, with funds coming from MNA.

(3) Potential for agricultural development in

the Sudbury regional municipality; prepared by the Agricultural Economic Research Council of Canada, 1979, for the department of planning and development, regional municipality of Sudbury, with funds coming from MNA.

(4) The potential impact of drainage and land clearing in the Fort Frances/Rainy River region; prepared by C. F. Framingham, University of Manitoba, 1980, for the Fort Frances/Rainy River Community Employment Strategy Committee and Canadian Unemployment and Immigration Commission, with one third funding coming from MNA.

ONTARIO SOUVENIRS

657. Mr. Boudria: Would the Minister of Government Services indicate the country of origin of each of the following items listed in the Trade and Promotions Collection Souvenir Products pamphlet of October 1982: 8345-1007 (provincial flag 2¼ x 4); 9999-1014 (flag pin); 9999-1027 ("Ontario" ballpoint pen); 9999-1135 (trillium pin); 9999-1145 (jewellery/utility box); 9999-1147 (tie, navy blue); 9999-1148 (tie, brown); 9999-1149 (business card box); 9999-1170 (trillium stick pin, leather); 9999-1171 (bookmark, trillium); 9999-1172 (pen and pencil set); 9999-1173 (knife/file); 9999-1174 (tape measure); 9999-1175 (trillium brooch, leather); 9999-1176 (spoon, leather trillium); 9999-1177 (leather opener); 9999-1178 (coffee mugs); 9999-1179 (china plate); 9999-1180 (magnetite bookends); 9999-1181 (magnetite pen set); 9999-1182 (clock); 9999-1183 (silk scarf); 9999-1184 (stick pin, stylized trillium); 9999-1185 (lapel pin, trillium); 9999-1186 (pendant); 9999-1187 (charm); 9999-1188 (shield pin with heraldry card); 9999-1189 (notepaper); 9999-1190 (spoon, shield); 9999-1191 (paperweight, trillium); 9999-1192 (glasses, stylized trillium); 9999-1193 (key fob); 9999-1194 (money clip); 9999-1195 (cufflinks, stylized trillium crest); 9999-1196 (cufflinks, sterling silver); 9999-1197 (cufflinks, shield of Ontario); 9999-1199 business card holder with heraldry card); 9999-1200 (shield of Ontario twin-ring brooch); 9999-1201 (presentation plaque); 9999-1202 (trivet); 9999-1203 (glasses, 10 1/2-ounce, floral trillium); and 9999-1204 (glasses, 12-ounce, floral trillium). [Tabled November 8, 1982]

Hon. Mr. Wiseman: Our entire giftware line is manufactured in Canada by Canadian companies with a few minor exceptions.

The neckties, 9999-1147 and 1148, are fashioned in Canada by Eugene Neckwear of Toronto, using fabric woven in Great Britain. There is no

Canadian mill set up to weave quality fabrics required for neckties.

The Sheaffer pen and pencil set 9999-1172, is completely assembled in Canada by Sheaffer Eaton using components fabricated in the USA. Similar pen sets are unavailable from any Canadian manufacturer.

The Zippo knife/file, 9999-1173, is completely assembled in Niagara Falls, Ontario, by Zippo Manufacturing Co. The knife blade is fabricated in the USA from Canadian steel. The equipment required to machine these knife blades is not available in Canada.

The clock, 9999-1182, is manufactured in Canada by Asinee Ornamental Rock Manufacturing of Kirkland Lake, using all Canadian components including rock from the pre-Cambrian shield. Quartz clockworks are unavailable at this time in Canada. We have discussed this problem with Westclox, who are engaged in the design and future manufacture of a Canadian-made clockworks.

The silk scarf, 9999-1183, is handcrafted in Toronto by a Canadian artist, Carol Sebert, handpainted on imported silk, a material not fabricated in Canada.

All other products are 100 per cent Canadian-made.

KIM ANNE POPEN

670. Mr. Boudria: Will the Minister of Community and Social Services provide for the House the total cost of the Kim Anne Popen report prepared by the Ontario Association of Children's Aid Societies, as well as the cost of the Judge Ward Allen Inquiry report including the salary of the judge for all time spent on the report as well as the cost of drafting and printing the report and any related costs? [Tabled November 15, 1982]

Hon. Mr. Drea: The earlier report pertaining to the death of Kim Anne Popen was sponsored by the Ontario Association of Children's Aid Societies, a private voluntary association completely independent of the ministry and sponsored by its member agencies. The ministry did not provide specific funding for this above-mentioned report.

Although no precise figures were retained, it is estimated that costs associated with the production of the OACAS report were in the range of \$1,000, which covered travel and accommodation expenses incurred by the team members.

The Judge Ward Allen report was commissioned by the former Minister of Community

and Social Services, the Honourable Keith C. Norton. It was done under the auspices of the Ministry of the Attorney General. As I understand, that ministry will be providing all related cost information.

Hon. Mr. McMurtry: As of October 31, 1982, the total cost of the judicial inquiry into the care of Kim Anne Popen, excluding printing, but including the cost of drafting the report is \$361,791. Total printing costs are \$31,799. The salary of the judge is not charged to the inquiry.

OPERATION OF AIRCRAFT

675. Mr. Cassidy: Would the ministry advise the House:

1. What was the hourly rate established for each type of aircraft used by the Ministry of Natural Resources in 1981-82 for cost recovery from ministries?

2. What additional hourly rate would be required for each type of aircraft in order to cover the capital costs of acquisition and depreciation?

3. For each type of aircraft chartered by the government for use by ministers and by officials, what is the hourly rate or total hourly charge paid by the government?

4. What was the total charter fees paid by the government for this particular type of aircraft in 1981-82?

5. What was the total expense charged back to ministries in 1981-82 for air travel by ministers in MNR planes and in charter planes?

6. What was the total amount charged back to ministries for travel by government officials in MNR planes and in charter planes during the period April 1, 1981, until March 31, 1982? [Tabled November 24, 1982]

Hon. Mr. Pope: 1. Turbo Beaver, \$88; Standard Otter, \$88; Twin Otter, \$169; King Air, \$169.

2. Information not available.

3. Hourly rates for chartered aircraft vary with type of aircraft and tariffs of companies involved.

4. This question was answered in the reply to question 110 asked by Mr. Jim Bradley on April 28, 1982]

5. MNR planes, \$160,888; charter planes, \$156,303.

6. MNR planes, \$112,047; charter planes, \$71,712.

COMPLIMENTARY LICENCES

676. Mr. T. P. Reid: Would the Minister of Natural Resources say how many complimen-

tary or free fishing and hunting licences were issued in the last fiscal year in Ontario? What categories of people received these complimentary fishing and hunting licences? [Tabled November 30, 1982]

Hon. Mr. Pope: During the last fiscal year, 95 complimentary fishing licences were issued to outdoor writers, dignitaries, personnel from foreign countries, visiting scientists and American conservation officers working on border lakes.

During the same period, seven complimentary hunting licences were issued to consulate generals, ambassadors and outdoor writers.

TEACHERS' PENSIONS

677. Mr. T. P. Reid: Would the Minister of Education and of Colleges and Universities explain the province's contribution to the teachers' retirement plans at the elementary, secondary and university levels? Would the minister outline the formula under which the province bases these sums? What is it costing the Ontario taxpayers each year at the provincial level for each of these pension plans? [Tabled November 30, 1982]

Hon. Miss Stephenson: The Ontario government is not directly involved in pension matters at the university level. The various universities have established their own pension plans and negotiate the policies of these plans internally. Employer contributions for these plans are drawn from the institution's operating funds.

The Ontario government sponsors the teachers' superannuation fund in which the majority of elementary and secondary teachers participate. The government contributes a matching teacher contribution of six per cent of salary for each eligible teacher to the fund and an additional matching one per cent of salary to the superannuation adjustment benefits fund.

A detailed accounting of the 1981-82 contributions to the fund and to the adjustment fund is published in the public accounts, 1981-82, page 4-149.

In addition, the government as sponsor is responsible for making payments towards the unfunded liability of the teachers' superannuation fund. The amount of this payment is based on the results of a triennial actuarial valuation.

ROYAL ONTARIO MUSEUM

678. Mr. T. P. Reid: Would the Minister of Citizenship and Culture provide the following information:

1. What was the original commitment of the

government to the funding of capital cost for the Royal Ontario Museum?

2. What was the final amount paid by the province in regard to capital cost through either your ministry, or Wintario, or any other government agencies?

3. What sums, over and above the original commitment, were paid to the Royal Ontario Museum and from any other ministries or government agencies? [Tabled November 30, 1982]

Hon. Mr. McCaffrey: 1. The government commitment to the capital costs of the Royal Ontario Museum expansion, following development of the initial budget, was \$23,570,000. The museum board anticipated financing the balance of the estimated \$44 million with grants from the federal government and Metro and through private fund-raising.

2. The final amount committed by the province for the capital cost is \$37,570,000. The \$14-million increase is the contribution from Lottario. This commitment resulted from an agreement with the federal government which transferred responsibilities for lotteries to the province and, in turn, required the province to fulfil any federal government obligation to ROM capital funding.

3. The above amounts represent the total financial support paid to the Royal Ontario Museum from the provincial government.

BILD PROGRAM

679. Mr. T. P. Reid: Will the Treasurer and Minister of Economics inform the House how many information officers and public relations people, including secretarial and clerical assistants, the BILD program has? How many permanent employees are there with BILD? What is the advertising budget of the BILD program? What is the cost of the BILD signs for this fiscal year? [Tabled November 30, 1982]

Hon. F. S. Miller: 1. The BILD secretariat does not have any contract or permanent public relations/communications staff. When required, the Ministry of Treasury and Economics provides communications support to the secretariat.

2. The BILD secretariat employs three full-time permanent staff, and one part-time, permanent staff person.

3. In the current fiscal year, 1982-83, BILD advertising expenditures amount to \$3,287.90. BILD does not estimate any further expenditures in advertising in this fiscal year.

4. Communications programs, including signage, which relate to specific BILD projects,

are undertaken by the ministry, agency or organization responsible for the implementation of the project. Questions on these matters, therefore, should be directed to the responsible ministry.

ONTARIO HIGHWAY TRANSPORT BOARD

680. Mr. T. P. Reid: 1. How many appeals from the ruling of the Ontario Highway Transport Board did the cabinet hear in the calendar year 1981?

2. What were the names of the firms that appealed in the calendar year 1981?

3. How many OHTB decisions were overturned by the cabinet in the calendar year 1981?

4. How many OHTB appeals has the cabinet heard in the calendar year 1981 to December 1, 1982?

5. How many decisions have been revised by the cabinet?

6. What are the names of the firms that have appealed for the calendar year 1982 to December 1, 1982? [Tabled November 30, 1982]

Hon. Mr. Snow: 1. 17.

2. Fyfe Transportation and Services Ltd.; Koostra Ltd.; Arnold Bros. Transport Ltd.; Coles Coach Lines; Steinman Transportation Ltd.; Dan's Delivery Ltd.; Milan Sreckovic; Taggart Service Ltd.; Den-Quar Transportation Ltd.; Armbro Transport Ltd.; Muscillo Transport Ltd.; Jeffreys Cartage Ltd.; Hill Security Ltd.; Fettes Coach Lines Ltd.; Atlantis Transport Services Ltd., TNT Canada Inc. and Trojan Freight Lines.

3. 10.

4. 32.

5. 15.

6. John Amos Zehr; Robert Mushet; Trentway-Wager Inc.; Blakelock Cartage Ltd.; regional municipality of Hamilton-Wentworth; Liskeard Equipment Inc.; Continental Air Freight (CAF) Ltd./Ltee.; Penetang-Midland Coach Lines Ltd.; Badder Bus Service; Cal Nichols Movers and Storage Ltd. and Rockbrune Brothers Ltd.; R. W. Tomlinson Ltd. and B and M Carriers Ltd.; Gorski Bulk Transport; Justus Boat Transport; Al's Moving and Cartage Ltd.; Printers Transport Ltd.; Capital Movers and Storage (Kingston) Ltd.; Coastal Tank Lines Inc.; Justus Boat Transport Inc.

RESPONSES TO PETITIONS

INFLATION RESTRAINT BILL

Re: sessional paper 282.

Mr. Newman presented a petition requesting the withdrawal of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province. [Tabled November 29, 1982]

Hon. F. S. Miller: The government has made it clear that it has no intention of withdrawing Bill 179. The Inflation Restraint Act, 1982, is an essential element in a series of government measures designed to fight inflation and contribute to economic recovery.

SALE OF RENTAL UNITS

Re: sessional paper 289, Cadillac Fairview sale to Greymac.

Hon. Mr. Elgie: I have received a copy of the above-mentioned petition, tabled on November 30, 1982.

I am sure your petitioners have continued to follow the sale of the Cadillac Fairview apartments in Toronto and the resulting public debate with some interest. With that in mind, I wanted to take this opportunity to review the action the government of Ontario has taken to ensure that the system of rent review that has been in place since 1975 retains its original goals of fairness and protection.

Further, it is important for everyone concerned to recognize that we, in the government, are committed to the rent review program.

Before I outline the series of steps we have taken, let me briefly describe the events that caused our concern.

Cadillac Fairview, at the time Toronto's largest residential landlord, announced in August that it was selling 10,931 apartment units to Greymac Credit Corp. The main concern, of course, was the rent increases that the new owners might demand in order to cover the cost of financing the purchases. These concerns deepened dramatically in November when Greymac quickly sold its rights to the apartment units to Kilderkin Investments and that company, in turn, apparently resold its rights to the units to a series of other companies.

In response to these speedy transactions and the resulting escalation in price, the government of Ontario, as you know, took four decisive steps.

The first step was to announce our intention to introduce legislation to deal with this problem. That has now been done and it will assist those tenants living in any building in Ontario that has been sold, and for which an application for rent review was received by the Residential

Tenancy Commission after October 31, 1982. It also applies to all applications where the hearing is held after the date this act goes into force and involves residential complexes that have been purchased more than once since October 31, 1979. In such cases, where the landlord applies to the rent review program to cover losses due to increased financing costs resulting from such a purchase, the landlord will be limited to a five per cent increase in rent.

The second step set up a commission of inquiry, under a distinguished lawyer Mr. Stuart Thom to look into all aspects of rent review and make recommendations on changes where inequities in the system are perceived. He will hold public hearings and report before the end of next year so that the government may act without undue delay on his findings.

Third, because of the concern over the nature of the transactions and their effect on the value of the properties in question, James Morrison, of the consulting firm Touche Ross, is carrying out a special examination of the several trust companies providing mortgages for the sale. Mr. Morrison has all the powers under part II of the Public Inquiries Act.

Fourth, the Ministry of Municipal Affairs and Housing will be carrying out a thorough analysis of both rental and private housing markets with a view to making recommendations aimed at increasing the availability of housing so that greater price and quality choices are available to all.

In addition to the four steps I have outlined, the Residential Tenancy Commission has developed a number of new guidelines for immediate use by commissioners. The most significant of these are: first, where a building is sold, a financial loss arising from increased financial costs may be passed through to tenants over a period of up to five years instead of the three-year period previously used; second, where a residential complex is resold within three years of its acquisition, the increased costs may be deferred until the increased cost arising out of the first sale has been built into the rent.

I am also pleased to inform you that a special team of commissioners and legal and support staff is being assembled by the Residential Tenancy Commission. The team will deal with

the hearing of all applications for rent review submitted by any of the subsequent owners or agents of the rental properties sold by Cadillac Fairview. Careful assessment will be made of all documents required prior to each hearing, and the hearings will be conducted only by commissioners on this team. In this way, the RTC will be able to increase the commissioners' level of awareness concerning the financing and ownership of these properties as well as ensuring a consistency in the application of RTC policies, and in the decisions issued.

As you can see from the breadth and number of these responses, the government of Ontario takes the issue of rent review and tenant protection very seriously.

In the end, we all want the same thing, a rental market where both tenants and landlords are treated fairly. Ontario has long been a safe and secure place both for investors and for residents. The government of Ontario wants to maintain that balance and continue to enhance the quality of life in the province. With the steps we have announced, we can continue to move toward these goals.

SCHOOL FACILITIES

Response to petition(s) presented to the House, sessional paper 291, re St. Dorothy's Catholic School.

Hon. Miss Stephenson: Officials of the Ministry of Education are aware of the situation at St. Dorothy's Roman Catholic Separate School in Etobicoke.

The responsibility for providing the facilities requested by the petitioners rests with the Metropolitan Separate School Board.

Prior to 1981, the need for funding for additional facilities at this school was not identified on the capital expenditure forecast submitted to the Ministry of Education by the Metropolitan Separate School Board. In 1981 it was 14th in priority, in 1982 it was 10th and in 1983 it was placed first.

The ministry is currently analysing the 1983 capital forecasts submitted by all boards with a view to establishing provincial priorities within the capital funds available.

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Cousens, D., Deputy Chairman and Acting Speaker (York Centre PC)
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Van Horne, R. G. (London North L)
Wells, Hon. T. L., Minister of Intergovernmental Affairs (Scarborough North PC)



Ontario, *LEGISLATIVE ASSEMBLY*

No. 179

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Monday, December 20, 1982

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Information Services Branch, Ministry of Government Services, 5th Floor, 880 Bay Street, Toronto, M7A 1N8. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Monday, December 20, 1982

The House met at 2 p.m.

Prayers.

RESPONSE TO WRITTEN QUESTIONS

Mr. Laughren: Mr. Speaker, on a point of privilege: I would have hoped that the Minister of Natural Resources (Mr. Pope) would have been in his seat when I raised this matter. However I draw it to your attention because I believe that our privileges are being abused under the standing orders of this assembly in that the Ministry of Natural Resources promised to provide answers to five questions by December 17.

I know, Mr. Speaker—and I know that you know—the questions are acutely embarrassing to the minister, but surely that is no reason for him to avoid answering those questions according to the deadline of the standing orders.

Mr. Speaker: I call the member to order. That is not a point of privilege, as you know full well. However I am sure the honourable minister or his staff will take note of your request and abide by it.

Mr. Laughren: I am sorry. Was that not a point of order, at least?

Mr. Speaker: Order, please. No, there is nothing out of order.

Mr. Martel: You have to answer by a certain time, according to the rules.

Mr. Speaker: Perhaps if the honourable member would raise the topic at the appropriate time with the appropriate person he would get the appropriate answer.

ORAL QUESTIONS

Mr. Peterson: Since the Treasurer just walked in, I gather he is finished showing his new car to everybody. I trust he had a nice time, I trust everybody is impressed with his conspicuous consumption on the matter and I trust he will enjoy his new car. Could he say if the taxpayers are buying it or is he personally buying it?

Mr. Speaker: The Treasurer?

Hon. F. S. Miller: I am.

Mr. Peterson: That's a refreshing milestone for this government, Mr. Speaker. They are

paying for their own cars. I think we owe the Treasurer great commendation for that.

Mr. Speaker: Was that your first question?

HOUSING PROGRAMS

Mr. Peterson: Mr. Speaker, I have a question for the Treasurer. The Treasurer will be aware, no doubt, that on January 29, 1981, his colleague the Minister of Municipal Affairs and Housing (Mr. Bennett) announced a program of interest-free loans to stimulate rental housing construction. A major reason for the program at that time was the low vacancy rates in many cities across this province. Perhaps more important were the employment benefits from such a program.

He will be aware, I am sure, that at the time the 1981 program was announced the vacancy rates in most cities in the province were indeed higher than they are today. In Hamilton, for example, it was 1.3 per cent for private rental units; it is now 0.6 per cent. In Oshawa it has gone from 2.4 per cent to 0.5 per cent. In Ottawa it has gone from 3.5 per cent to 0.2 per cent, in Thunder Bay from 0.1 per cent to 0.6 per cent, in Brantford from 4.4 per cent vacancy to 1.9 per cent and in Sarnia from 8.2 per cent to 1.4 per cent. At the same time unemployment has skyrocketed in every municipality in this province, increasing in total from 6.5 per cent to 12.4 per cent—virtually 564,000 people are out of work.

Given the trends in both vacancy rates and unemployment, and given his comments about his meeting in Ottawa last week, would the Treasurer not agree the economy needs stimulation at this time and that there is no more efficient way to stimulate than by encouraging the building of rental housing? And would he not agree we need a massive program now to encourage the building of rental housing in this province?

Hon. F. S. Miller: Mr. Speaker, I would not agree when the Leader of the Opposition says we should stimulate rental housing specifically, but I do agree we should stimulate housing in general; there will be needs on both sides. I pointed out to him the other day—I think it was Friday morning—that we have been quite suc-

cessful in stimulating purchases of houses this year, and that had a secondary effect of making more units available in the rental market.

That is the route we have chosen to take at present. However there are, as my colleague the Minister of Municipal Affairs and Housing will tell him, a good number of programs in the federal and provincial fields. Some of them overlap and some make people like him and me a bit confused because we are not up to date on every one of them.

I for one would like to see a degree of rationality, and I am sure my colleague supports that, I hope he would support that. I hope we would see a degree of co-operation between the federal and the provincial governments over the next few months as it relates to the housing market in general.

Mr. Peterson: Mr. Speaker, I think we are all in favour of co-operation, but surely even with the programs he heralds, the building of homes in this province, we still have record low vacancy rates. We have a crisis on our hands in vacancy rates, and at the same time we have massive unemployment. I am sure the Treasurer would agree that in spite of the programs he talks about every day the results are not nearly what he or I would want.

Would he not agree we could, probably as efficiently as any other way possible, create jobs through encouraging the building of rental housing? I suggest, for example, that through the expenditure of about \$150 million we could build 15,000 units and provide 26,000 person-years of employment in this province.

2:10 p.m.

That 26,000 person-years of employment is more than double the total created by the government's more costly \$171 million short-term job creation program introduced in the May budget, and it is about 70 per cent more than the employment expected to be generated by the \$150 million in new job creation funds committed last month.

To this end, would the Treasurer not agree we could take the emphasis off short-term, make-work projects and build something that would be worth while, with lasting benefits for this province if he put his major emphasis on the building of rental housing? Surely the economics of that, which I presume he is aware of, would make much more sense than what he is doing.

Hon. F. S. Miller: I feel my colleague the Minister of Municipal Affairs and Housing is in

a better position to answer some of the specifics. I am amazed, after listening to the member talk about rental housing for the past few months, that anyone is left in this province with enough confidence to build after hearing him.

Mr. Rae: Mr. Speaker, I do not like to see the buck passed between the Minister of Municipal Affairs and Housing and the Treasurer on these questions. I would like to get an answer to the simple question I asked the Minister of Municipal Affairs and Housing last week. I asked it again on Friday and I am going to ask it of the Treasurer today.

Money for two programs announced by the Minister of Municipal Affairs and Housing has not been allocated by the Treasurer. Can he please tell us when he plans to allocate that money and why has it not been done up until now?

Hon. F. S. Miller: Mr. Speaker, my answer the other day is still the answer I give today. I will have to wait until the allocations are made. The minister of the day will make the announcement.

Mr. Peterson: As Treasurer, he presumably still controls the purse strings in this province, although that may be uncertain. At least he is empowered to speak with his federal colleagues on behalf of the members of the government. Does he believe there are items of higher priority than the building of rental housing in this province?

Recognizing the economic spinoff effect of building rental housing, realizing that he can pyramid that money in conjunction with the private sector, and recognizing that it will not build without that help, why would the Treasurer not take that upon himself now, and not in his next budget in March, April, May or June, to build and meet two of the most urgent social crises we have in this province right now?

Hon. F. S. Miller: Mr. Speaker, I will redirect that to my colleague the Minister of Municipal Affairs and Housing.

Hon. Mr. Bennett: Mr. Speaker, I have said in this House on several occasions that this government in 1981 had the Ontario rental construction loan program and it stimulated the building of something like 16,700 units across the province. I thought it was an effective and positive program both for employment and for the provision of housing both in the rental supply program and in the rent-geared-to-income program.

This government and this ministry were fully appreciative of the fact there was a rental

shortage in Ontario in 1982. We were proposing to continue with the rental construction loan program. Indeed, back in the time of Mr. Cosgrove we had discussed with the federal government its participation to make the program more effective and to stimulate the field of supply.

That goes back to January of the current year. At that time we were invited very nicely by the federal government to remove ourselves from the rental supply program in Ontario. The federal government was not prepared to participate with us but it was going to bring on stream—and it did—the Canada rental supply program. It was calling for proposals by the development industry for that, not only in this province but across Canada.

It indicated to us at that time it was going to supply 10,000 new units in the economy of Ontario under the rental supply program via CRSP. At this moment I doubt very much if it will surpass 6,000 in Ontario. I have not been able to get an up-to-date figure from it other than that back about 60 days ago some 3,700 odd units had been taken up in Ontario. It was then trying to indicate it would likely achieve 10,000 but it had nothing to verify that position.

I want to make it clear to the Liberal leader that the federal government took the responsibility in 1982 to stimulate the rental program. We went the other direction in this province by bringing in the renter-buy program to try to stimulate people to buy their own homes and to move out of rental accommodation into that ownership. Some 11,500 units have already moved as a result of the renter-buy program, 50 per cent of them as a result of moving from rental positions into ownership. That was our participation with the federal government in trying to free up a number of rental units as well as to supply new units in the marketplace.

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations (Mr. Elgie). I am prepared to hold it, or perhaps he is having coffee in the back room. Is he within earshot?

Hon. Mr. Davis: I will find out. The member could try a third question.

Mr. Peterson: It is a very important question as we come down to the end of the session. I would like to have an opportunity to discuss it with the minister. If he will be here shortly, I will put it down. May I put it down for a moment, Mr. Speaker?

Mr. Speaker: Is that agreeable with the New Democratic Party? The member for York South.

SHELTER ALLOWANCES

Mr. Rae: My question is to the Minister of Community and Social Services. It concerns some of the answers he gave on Friday with respect to the report on wife battering from the standing committee on social development.

My understanding from the answer the minister gave on Friday is that he has rejected the recommendations from the committee that there be special legislation dealing with the whole problem of wife battering. I understand he also has rejected the recommendation with respect to block funding. Can the minister confirm it is true that he and his ministry have rejected those proposals?

Can he also tell us how he is responding to recommendations that his ministry should establish a 24-hour, toll-free multilingual counselling line for battered women? How does he feel about the recommendation that shelters should be established for francophone immigrants and native women by initiating cross-cultural training for their staff and by hiring bilingual workers?

Hon. Mr. Drea: Mr. Speaker, if the leader had paid attention on Friday, I think he would have had an idea. In the first place, I said very specifically on Friday, "no." Second, I said very specifically two days before, "no." In fact, some weeks before, when one of his members asked the same question about block funding, the answer was "no."

As to the other matters, I pointed out Friday we had sent a letter to all municipal welfare departments asking them how they would handle this type of case. I indicated on Friday the answers to that would be back before March 31, 1983. Based on that response, we will take a look at the items in the report as they bear on very specialized groups—particularly the language problem, the immigrant problem, the francophone question and, especially in the north, the native population. I thought I made that quite clear on Friday and earlier.

Mr. Rae: I wonder how the minister can persist in his refusal to listen to the work of a completely nonpartisan and all-party committee with respect to this matter. I think particularly of a survey conducted by his own ministry. As I understand it, hostel operators were asked to express any concerns they had that they felt were relevant to the administration, operating or funding of their hostel.

Of 21 who were surveyed, 16 operators felt

that funding was inadequate and that more revenue was required to cover basic operational costs, to hire more staff, to facilitate better service and to adequately reflect the totality of services which were already being offered. They also had concerns about the limit on the permitted length of stay and the lack of community resources, such as affordable housing and day care.

How can he persist in the refusal to have legislation which covers all these problems and which deals with these problems as a whole when a survey conducted by his own ministry finds that the operators of hostels feel these things have to be done?

Hon. Mr. Drea: That survey very simply asked people what their problems were. It was turned over to the committee and has never really been looked at in terms of what might be done in a particular community or what innovations might be brought in. It was put there purely for the information of the committee.

2:20 p.m.

While I am on my feet, and since I may be the only one who has read this report, may I read something on page 27 that may help the leader of the third party before he asks me another question? It reads:

"... the victim of wife abuse may feel compelled to leave her home, her belongings, and sometimes her children. The inequitable nature of this decision raises the question: 'Why is the husband not removed so that the victim and her children may remain in the house?' As discussed earlier, the police are very reluctant to lay charges. (The London Police Force is an exception.) Even when charges are laid, the accused need not be arrested and placed in custody. Peace bonds, restraining orders and orders for exclusive possession of the family home all require court proceedings. Meanwhile, the batterer is free to live in the house."

I suggest the honourable leader read that one before he accuses me of not reading the report.

Mr. Peterson: Mr. Speaker, it appears the minister's whole approach to this matter is just to get tough with the batterer. Presumably that would involve the compliance of the police.

The minister is aware of the recommendation in the committee report with respect to assisting women to lay informations. He is aware of the Ontario Status of Women Council report which also says the victim should be allowed to lay an information with the investigating police officer.

Why is it the Solicitor General (Mr. G. W.

Taylor) would not issue those instructions to the police? Why is it he, through the agency of the police, is not being particularly co-operative in that way? In fact the response to that recommendation of the Ontario Status of Women Council was to say the laying of an information with an investigating officer is not legally feasible, when most authorities believe it is and would go a long way towards solving this problem. Why are the minister and the Solicitor General talking out of different sides of their collective mouths?

Hon. Mr. Drea: Mr. Speaker, I draw the attention of the Leader of the Opposition to the fact that the Attorney General (Mr. McMurtry) of the province has directed the crown attorneys to do precisely that.

Mr. Peterson: The police, not the crown attorneys. It is the police I am talking about.

Hon. Mr. Drea: The police get their advice from the crown attorney. I would have thought the member, a solicitor, would know that, without a nonsolicitor like myself pointing it out.

To clarify the record, I am not confining anything I am doing or have been doing to getting tough with the batterer. I think that is very essential. We have put out directives. I am particularly concerned about the women in the smaller communities. We have moved to raise the per diem. We have facilitated the coming on stream of a number of new houses in conjunction with the federal government, which has been very co-operative.

There are other items in this report which I guess people have not noticed, unfortunately—acquainting professionals and an awareness campaign. I have pointed out that each one of my area offices right across the province has money to sponsor the kind of workshop and seminar that is hinted at in this report over the winter. We have been doing a rather large number of things while the committee was pondering the matter.

Since the committee was fair enough to share various draft reports through the media with me, we have been proceeding right along.

Mr. Rae: Mr. Speaker, the minister read into the record the first paragraph on page 27, under the heading, "Need for shelter." I ask him to read the second paragraph, because it emphasizes the importance of providing for these transitional shelters. It says:

"A transition home can meet the victim's immediate need for safety. This need might be

satisfied by other accommodation; however, many victims are financially dependent on their husbands and cannot afford alternative housing. The shelter allows the woman to re-establish herself with her children and then apply for some kind of public assistance, if she is unable to find work."

Would the minister comment on the fact that in Kapuskasing, for example, the closest interval house until January will be in Sault Ste. Marie, which is an eight-hour drive? Can he also comment on the fact that a new house is being opened in Kapuskasing with nine rooms on January 15, and the funding is as follows: the federal winter works program is \$34,000, the children's aid society is providing for one salary and the day care initiative grant is providing for \$7,000.

No capital funding is coming from the Ministry of Community and Social Services. I would like to ask the minister how he can justify a group in Kapuskasing having to go hither and yon and having to rely on various benefactors in order to provide for a nine-room home? Why does the Ministry of Community and Social Services not take on that responsibility and guarantee funding so people are not constantly wondering whether there is going to be a centre next month or the month after?

Hon. Mr. Drea: Mr. Speaker, first of all if the honourable member had listened to me on Friday, I pointed out the problem with transporting people rather long distances. I do not condone it at all. That is why in each and every part of the province that directive went out as to how they would provide locally so that no one would have to be moved hither and yon.

Second, with respect to the second paragraph, I could have read that just as well. No government has put more of the interval houses on stream than this one, and the member knows it.

With respect to the funding, it is my view that setting up legislation to guarantee funding is an extremely dubious proposition. No provincial statute I know of guarantees capital funding to any class or kind, and that includes the public school system.

The thing the member has left out is that from day one on which the north Cochrane welfare board in the case in Kapuskasing will be paying, there will be 50 per cent reimbursement from the federal government, 30 per cent from the province—80 per cent from the two levels—and 20 per cent from themselves under the hostel

agreement. It is our view that our role starts once the particular house is established.

In my own riding there is a new house coming on stream in January. Canada Mortgage and Housing Corp. provided the funds for acquisition and for renovations. The day the Emily Stowe House starts this ministry and Metropolitan Toronto will be paying the operating costs.

ENVIRONMENTAL ASSESSMENT ADVISORY COMMITTEE

Mr. Rae: Mr. Speaker, my second question is for the Premier. It concerns environmental assessment and the exceptions to the Environmental Assessment Act.

The Premier will be aware of a considerable controversy that has arisen as a result of the statement he made on December 7 to the Conservation Council of Ontario with respect to the environmental assessment advisory committee. It was significantly at variance, to put it politely, with a commitment that was made in writing by the Minister of the Environment (Mr. Norton) to the same conservation council, and I am sure the Premier is aware of this very real difference. He stated that the environmental assessment advisory committee would hear only those requests that were submitted to it by the government with respect to exemptions whereas the minister made it clear he was referring to any person being allowed to refer a matter to this committee.

I wonder if the Premier can tell us why the commitment made by the Minister of the Environment was broken, and exactly when and under what terms this committee will be working when it is established.

2:30 p.m.

Hon. Mr. Davis: Mr. Speaker, perhaps there is some modest degree of misunderstanding. I assume the leader of the New Democratic Party is referring to some notes that were provided for me at the council's anniversary luncheon. The reality, and I am only going by memory, is that I totally ignored the notes, as I do on occasion. I think he will find I did not say what he suggested I said to the council.

I am not being critical of that in any way. It is just that in reality I did not say what he suggested I said. I did say we were going to move ahead with the appointment. I said that it was our responsibility to make the appointments and that we would be in touch with the council in relation to the membership. I did not say some of the things the honourable member has quoted me as saying.

Mr. Rae: The Premier will know that the notes for his speech were widely distributed and that they somehow, miraculously, made their way to my office. From what I can tell, it was a public text, which was widely distributed. If the Premier is saying that is not what he said, then he is reneging on something the minister said in this House the other day. The minister said it was the new policy of the government.

Let me ask the Premier quite simply to state, in as few words as is humanly possible for the Premier, the policy of the government with respect to this environmental assessment advisory committee. Will that committee be hearing requests to consider exemptions and nonexemptions from any person, or will it be responding only to requests from the government? It is a relatively simple question. Can the Premier please give us an answer?

Hon. Mr. Davis: It is not so simple to expect me to respond to that in short order. I recall that visit very well, because I have known many members of the council for some years. The president emeritus used to be the planning director in what used to be Toronto township, Max Bacon, a very good friend—

Mr. Peterson: Who else is on it? Tell us who else.

Hon. Mr. Davis: Mrs. MacMillan was there. Mrs. MacMillan and I had a little fun with the member for Halton-Burlington (Mr. J. A. Reed), because I indicated to the council how we were continuing to support the escarpment and that the member for Halton-Burlington might do the conservation council a great service by going back to his caucus and persuading two or three members of the Liberal caucus who were unalterably opposed to the escarpment. I was doing my best to interject a degree of—

Mr. Speaker: Will the Premier address the question, please?

Hon. Mr. Davis: This is very important to my presentation, because it was not included in the text. I do not know whether the text said to check against delivery. Did it say that on the front? The member has the text there. He knows whether it says to check against delivery.

Mr. Rae: I have an excerpt from it.

Hon. Mr. Davis: Oh, I see. Is that an executive summary? Anyway, I did not deliver it.

Mr. Foulds: Send us over the delivery as well.

Hon. Mr. Davis: I was just going to tell the House all the things I said to the council. I pointed out, and the former president of the

council made a very good presentation himself, the need to make sure that the process did not inhibit the necessity to make decisions. We got into a discussion on how input should be made, etc. I said the ultimate responsibility had to be that of government; we wanted input, etc., but we had to have some way of coming to a conclusion. Whatever the minister conveyed to the member as to government policy I certainly would not dispute.

Mr. Elston: Mr. Speaker, we were advised by the Minister of the Environment, when this question was last asked, that it would be impossible to give notice of all the environmental assessment applications to the committee in any event. Can the Premier tell the House how the citizens of Ontario are to determine whether the government uses this committee in any way at all, since there is no way of telling which sorts of environmental assessment projects will be referred to them? Can he tell us that today?

Hon. Mr. Davis: Mr. Speaker, I can give my own view on it, but I think that would be a more appropriate question to address to the Minister of the Environment.

Mr. Rae: This is a serious matter in its own way. I am sure the Premier will appreciate that there is a widespread feeling in the province that this government, by executive fiat, is in effect repealing the Environmental Assessment Act because of the number of exemptions that have been granted and the fact that, by cabinet order, the whole purpose and the whole purview of the act are being completely ignored by the government.

In that regard, I want to ask the Premier whether he can give us his unqualified assurance today that there will be no permanent exemption granted to the Ministry of Natural Resources with respect to the crown lands that are under its jurisdiction, a problem that the Premier will know has to be determined right away. Can he give us that assurance that there will be no permanent exemption given to the Ministry of Natural Resources?

Hon. Mr. Davis: I think the member is attempting to oversimplify the issue. I do not think he really expects me to give an unqualified commitment on a matter that is so complex.

I should point out to the member—because in his preamble he suggested the government was trying to erode the act—one point I did make to the conservation council, which I think they understood and agreed with. I said very simply to them, and they applauded me vigorously, that

while we may have some differing points of view on these issues some days, in terms of the record of accomplishment in this province in the field of the environment there is not a province in Canada or a state in the union that has done as much in terms of conservation as has Ontario, whether it is water quality, air quality or conservation authorities—you name it, we have done it.

Mr. Laughren: On a point of order, Mr. Speaker: Ordinarily I would not interrupt the proceedings at this time with a point of order, but it does relate somewhat to what has been going on between my leader and the Premier.

Earlier this fall, the Minister of Natural Resources (Mr. Pope) had some questions put to him on the Order Paper. According to standing order 81(d), "The minister shall answer such written questions within 14 days unless he indicates that he needs more time." More time was indicated; at that time the minister assumed the House would be adjourning on December 17 and indicated that was when the response would be ready.

The response still is not ready, and it is now December 20. Obviously the standing orders are being ignored in this case, because this is December 20. The reason I raise it now is that it has to do with some of the conditions that were put to the Ministry of Natural Resources when it was granted its continuing exemption to the Environmental Assessment Act back in March 1982.

I ask you, Mr. Speaker, to tell me how it is that the minister can flout the standing orders in such a way?

Mr. Speaker: I thought I had answered that earlier; but you are quite right, the standing order does provide for that. However, the standing order does not provide, nor is there any provision in the standing orders to provide the Speaker with any punitive power to force any minister to answer a question. The best I can do is what I did before, bring it to his attention and let him know of your concern—which you have already done—that the question has not been answered and you are still expecting an answer in compliance with the standing orders. Undoubtedly the minister and his staff have heard this and will react very quickly to your request.

MORTGAGE PRACTICES

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations, who will be aware that almost daily in

the past two or three months, we have had a discussion of the various trust companies and other companies involved in the so-called Cadillac Fairview, Greymac, Kilderkin, numbered companies series of transactions.

The minister now has appointed the Morrison inquiry to look into Seaway Trust, Greymac Trust, Crown Trust and Greymac Mortgage, and subsequently, at least in our judgement, widened it to look at not just that series of transactions but all the transactions of those various companies over a long period of time.

I want to ask the minister why it has taken him between six months and two years to look into some of these transactions we have brought to his attention. He is aware that it is the responsibility of his ministry to look into these transactions on a yearly basis. Why has he responded to some of these questionable transactions only some two years after the fact?

2:40 p.m.

Hon. Mr. Elgie: Mr. Speaker, let me again reiterate that we have not widened the terms of the Morrison inquiry from the day its terms of reference were signed. Whether the Morrison inquiry will be able to ascertain all the facts the government and the opposition feel are necessary as a result of that inquiry will be something we will have to weigh and evaluate. I have indicated from the start that both I and the government are keeping our options open with respect to a need to broaden that inquiry.

With respect to the second part of the question, having to do with the role of the registrar: he reviews the functioning of trust companies; however, I submit that the kinds of transactions we are seeing now are largely those that have been occurring during the past year. That does not mean we will not find sporadic events that may have occurred at an earlier time, but the registrar and the government have been responding appropriately to situations—and I do not want to call them anything other than that—with respect to the practices of a series of companies that, by and large, have been practices that have arisen during the past few months.

Mr. Peterson: The minister is aware that some of the transactions we have brought to his attention are almost two years old. He is also aware that the registrar is required to file an annual report on these companies. Moreover, he has the power to secure an appraisal of properties for which mortgages have been advanced.

Prior to the Cadillac Fairview-Greymac deal, had the registrar alerted the minister with respect to any concerns he had about the companies now subject to the Morrison inquiry? Had he conducted an inspection of the books of these companies or did he request an appraisal of any of their assets?

Hon. Mr. Elgie: From time to time, the registrar and the deputy discuss a great number of matters with me. I cannot recall exactly whether any of them were related to those particular companies, nor do I have information at my fingertips as to whether the registrar in his role has periodically asked for appraisals or any other material. However, I can assure the member that I have the greatest confidence in the registrar.

In my view, the kinds of transactions which we are seeing and about which we all have some concern are, by and large, ones that have been taking place in the past few months.

Mr. Peterson: To repeat: that is not the case, as the minister is aware from what we have pointed out to him in the past.

Will the minister not agree that there is some concern over the capacity of the regulators in his ministry, given some of the other problems we have experienced with loan and trust companies in this province over the past little while? In fact, the minister's regulators should have been more scrupulous in looking into every single detail of some of these transactions. In fact, some of these companies sent signals to the minister up to two years ago that he should have been looking very closely at their books. Indeed, Mr. Morrison's inquiry may be too late to tell the minister all the things he should have learned a year to two years ago.

Hon. Mr. Elgie: All I can add is that it is still my belief that the transactions the member is referring to are, by and large, those that have occurred in the past few months. That does not mean there will not be sporadic transactions that will appear on the record.

Let me just confirm the fact that the registrar takes his obligations very seriously. The member knows that is so, coming as he does from London, where one trust company was merged with another as a result of some investigations he had been carrying out in relation to that trust company. The member is well aware of the facts and of the interest and concern the registrar has about the role of trust companies and the fiduciary responsibilities that rest upon them in their dealings with the public.

DRESSER CANADA

Hon. Mr. Ramsay: Mr. Speaker, on November 2, 1982, the member for Sudbury East (Mr. Martel) raised the matter of Dresser Canada. He questioned why the ministry failed to enforce the act and prosecute the employer for failure to provide the joint health and safety committee with the required notice of accidents.

The honourable member implied that the ministry failed to take action when it first became aware of the problem. In fact, the ministry issued an order to the company to correct the matter the first time the inspector became aware of it. I am pleased to note that the employer now provides these notices to the joint committee. As the company has complied with the order and amended its practice, the ministry does not propose to initiate a prosecution.

The member also commented on the state of employer and worker relations at the company. There have been health and safety problems at this company, and the ministry has taken special steps to work with the employer, the workers and their representatives in addressing these health and safety matters. I am advised that this has resulted in a more positive approach to occupational health and safety at the company. I am hopeful that further advances can be made.

The final question raised concerns and allegations of intimidation of workers by the employer. Three cases were used as illustrations, and my officials have investigated them. In one instance, they advise me the workers who had been dealt with unjustly had exercised their rights under section 24 of the act. The matter was settled to the workers' satisfaction prior to the arbitration case being heard.

In the second instance, the company realized that it acted unjustly and contrary to the law when it sent a worker home for refusing to work in an unsafe condition. The worker has been compensated for his lost time. The third case of refusal to work was resolved internally and without ministry involvement.

I have a detailed summary totalling several pages of all the points that were raised and the ensuing events. I will send it over to the member for Sudbury East, the member for Hamilton East (Mr. Mackenzie) and the critic for the Liberal Party.

Mr. Martel: Mr. Speaker, with respect to the intimidation, it took the involvement of the ministry and the trade union movement to get those conditions altered. Does the minister not realize that if there is no union involved, there is

no way, even financially, that workers can take this matter unto themselves to get the situation rectified?

When there is intimidation, which is a clear violation, does the minister not believe it is absolutely essential for industry to know that the ministry is going to use section 24 and lay charges so that people understand they have the right to refuse unsafe conditions? Otherwise, they will not make use of that section of the act and the act then becomes useless.

Hon. Mr. Ramsay: As I indicated a moment ago, I have just sent a detailed report to the member which I think addresses the matters he has raised. If he has any questions after he has read that report, perhaps he can talk to me personally.

INDIAN BAND AGREEMENT

Mr. T. P. Reid: Mr. Speaker, I have a question for the Provincial Secretary for Resources Development with regard to an agreement that I understand he and the Minister of Natural Resources (Mr. Pope) signed with some of the Indian bands and organizations on Friday. I am shocked that neither the minister nor the secretary made a statement in the House regarding this signed agreement.

Can the provincial secretary explain what was in the agreement? Can he table background studies and the work that went into it? Can he explain how it is going to affect the people who live in northern Ontario? Can he explain why the federal government, which I understand was supposed to be a signatory to this agreement, backed out virtually at the last minute?

Can he further explain why no one in the province, except the two parties, the government and the Indian bands, knew anything about this matter until Claire Hoy's column in the *Toronto Sun* on Thursday?

2:50 p.m.

Hon. Mr. Henderson: Mr. Speaker, the Minister of Natural Resources and the Provincial Secretary for Resources Development did go to Ottawa last Friday. We met with the five native organizations. The federal ministers Mr. Munro and Mr. De Bané were there.

There was an agreement that we would sign the agreement that had been worked out over several months. Our Minister of Natural Resources was the individual who was in the negotiations for Ontario.

To go into detail and to explain the overall situation, the document has 22 pages. There are

10 articles in the document. It makes harvest fishing for the native people a possibility. It is going to remove a great deal of the conflict that has existed between the conservation officers and the native people in Ontario.

Only the government of Canada can tell the member why it did not sign. It sent our Minister of Natural Resources a telegram last Thursday. This was not sprung on it overnight; it had known about it for several weeks, and it had been party to the negotiations. I am going to let the Minister of Natural Resources explain what happened at some of those negotiations.

Our Minister of Natural Resources got a telegram last Thursday from the government of Canada pointing out that possibly we were overstepping our authority as a province in signing this agreement. When our Minister of Natural Resources suggested to the federal ministers who were there that they point out to him where he was acting beyond his power, no one was able to answer his question.

There were some red faces in the government of Canada. One minister asked whether any of his legal people, the people who put the telegram together, were there and it was surprising that there was none there. With all the staff and all the resources they had, there was nobody there who could answer why he put that in the telegram.

Mr. Speaker, if it is your wish that we go through this 10-article agreement part by part, I ask for your consent to have the Minister of Natural Resources adding some comments to my remarks.

Mr. T. P. Reid: I will ask that the agreement be tabled. I can say that the people in northern Ontario are shocked about this. I know it has caused quite a division in the cabinet, amongst other things, but maybe I can redirect to the Minister of Natural Resources and ask him how he justifies doing this at this time. How can he justify the secrecy that surrounded this, given its impact on everyone who lives in northern Ontario?

Does he not believe that, in regard to all his public protestations about public input into the strategic land use plan and his Royal Commission on the Northern Environment, he is making a mockery and a farce of them? The people in northern Ontario feel betrayed by him and the Conservative cabinet for a decision that they know nothing about in terms of the zoning of lakes in northern Ontario after all this public input on strategic land use planning.

Hon. Mr. Pope: Mr. Speaker, it is not true that no one was aware negotiations were taking place. It is not true that no one was aware of the contents of the negotiations during the course of them.

I indicated at a forum which members of the New Democratic Party attended last week that in August some of the interest groups had been advised by me directly and personally that a process of negotiations was taking place to settle the dispute between the Indian people and the governments of Ontario and Canada with respect to fishing rights. We had indications in this House on two different occasions that negotiations were taking place.

Mr. T. P. Reid: You were not talking about zoning.

Hon. Mr. Pope: If the honourable member will check Hansard, he will see that there were negotiations taking place in the context of Moraviantown and a number of other issues with respect to fishing rights.

The Northern Ontario Tourist Outfitters Association was advised in August, as was the Ontario Federation of Anglers and Hunters, that it was taking place. It was the subject matter of negotiations at the NOTOA annual convention in Thunder Bay. Four to five weeks ago, they were briefed for half an hour by myself as to the principles involved. Their help was solicited with respect to the possible zoning problems. They provided maps to the Ministry of Natural Resources, which have been helpful to us in terms of the West Patricia area.

The Indian chiefs did get together and make a zoning submission on the West Patricia area, and we had a response on behalf of the government of Ontario that took into account the concerns of the northern Ontario tourist outfitters. So it is not true that there was no discussion or input before or during the negotiations.

The federal government, which was a party to these negotiations since it agreed to enter into them last December and which was supposed to have its staff and its ministry attending all the meetings, was aware at all times of the contents and principles of the negotiations and of the proposed agreement.

The day before the signing of the proposed agreement, the Liberal government in Ottawa sends me a telex saying that what I was doing was against the Constitution and contrary to my delegated authority. The same federal government knew when it entered into these negotiations that they would have an impact on constitutional aboriginal matters. They knew that and

nevertheless they wanted on an interim basis to resolve the conflicts between the federal government, the provincial government and the Indian representatives.

Not one representative of the federal government could tell me to my face what was unconstitutional with what we were agreeing on and why they had not brought it up earlier—not one of them. The fact of the matter is that at a press conference later, Mr. Munro volunteered the information that perhaps there was some problem with subdelegation with respect to zones.

It is funny how an Ontario agreement with respect to Indian fishing rights is unconstitutional when the same zoning principles have been used in the James Bay settlement agreement with Quebec and that was perfectly constitutional. It is funny how a government that wants to delegate powers to a province and the province that receives the powers delegated to it cannot agree to change the conditions of that delegation.

Their excuses were phoney excuses. They were phoney because they were not ready; they had not done their homework and they were not ready to sign that agreement. As the Provincial Secretary for Resources Development was saying, they were embarrassed and they ended up agreeing that they would have detailed negotiations within 14 days to reach amicable agreement. But they were aware all the way through the piece of what the principles were. I will file the agreement for the House.

I want to turn to the principles and whether something is changing or something is new, whether something underhanded is going on for the people in northern Ontario. First of all, this is a province-wide agreement; it is not a north-western Ontario agreement or a northern Ontario agreement but a province-wide agreement. It has as much impact in my part of the province as it does in the honourable member's. It has as much impact upon the Provincial Secretary for Resources Development as it does for the member.

I submit that the principles of the agreement do not remove ultimate control and authority from the federal government or the provincial government. If the member traces through the clauses, he will see this as true, because the band can pass bylaws only for its reserve lands. Any application of regulations on waters adjacent to reserve lands has to be by provincial and federal regulation. The band can only make submis-

sions to us, which we must approve and put into regulation; so there is no delegation of authority.

The independent biologist and umpire's decisions are appealable solely to one source, the provincial cabinet. We are not giving away control from that point of view. An independent biologist already has been used to settle quota problems for commercial fishermen. It was used last year in eastern Lake Ontario to set the whitefish quota; we went to an independent biologist to settle our differences. The umpire system is already in place in the game and fish appeal board. They already decide differences between commercial fishermen and us with respect to matters of quota and conditions on licence.

All these matters already exist. The procedures already existed, and all we were doing was trying to adapt them. They are the very legitimate problems that the native people have had throughout Ontario.

Mr. Speaker: Order, please.

Hon. Mr. Pope: This is my last sentence.

Mr. Speaker: Last sentence?

Hon. Mr. Pope: Last sentence.

Mr. Speaker: All right.

Hon. Mr. Pope: The only alternative to signing this agreement is continued court proceedings and battles on constitutional, legal and administrative bases until the constitutional matters are resolved. That could take 10 years. In the meantime, we have instances like Moraviantown. In the meantime, we have the tensions and the misunderstandings on what has already been recognized in 1979 by this government as a right; that is, the right of Indian people to harvest fish for food for personal consumption. The only alternative is a—

Mr. Speaker: That is a very long sentence.

3 p.m.

Mr. Laughren: Mr. Speaker, this is a terribly important issue and I agree with much of what the minister has just said. Is he not concerned about the ground swell of hostility that has occurred, particularly in northwestern Ontario, since that agreement was signed? Can he tell us what he intends to do about that? How is he going to cool things off in northwestern Ontario? How is he going to communicate to the people in the northwest, including the municipal organizations, the principles involved in this agreement so that we do not have continuing rancour between the native people and the rest of Ontario?

Hon. Mr. Pope: Mr. Speaker, I think the native representatives who were there on Friday spoke the same way about explaining the agreement in detail so that this hostility would not be felt. It is true that we met with the Northwestern Ontario Municipal Association on Thursday morning, which had a lot of concern about the agreement and about the minister who negotiated it. However, after a half-hour explanation of the principles of the agreement they started to understand it a little better.

Mr. T. P. Reid: They thought you weren't going to sign it.

Hon. Mr. Pope: On what basis?

Mr. Speaker: Never mind the interjections please.

Mr. T. P. Reid: They came back with the idea that you were not signing it.

Hon. Mr. Pope: On what basis, I do not know.

To answer the member's question, the potential of the agreement is worrisome to a couple of groups. The Ontario Federation of Anglers and Hunters has generally supported it, although having some concerns. The potential is worrisome to some people. It is the implementation that is going to be the test. I have already indicated to the Northern Ontario Tourist Outfitters Association, the Ontario Federation of Anglers and Hunters and their municipal representatives, that they would all be involved in consultation before any specific zoning decisions are made and before any of the detailed implementation regulations are passed.

Mr. Di Santo: Mr. Speaker, I would like to ask whether you think some time should be added to question period in view of the fact that we as back-benchers have asked only one question and the last question took the minister more than 15 minutes to answer.

Mr. Speaker: I was told, and honourable members agreed, that this was a very important matter to those members in northern Ontario and I accepted that at face value. I have no power to extend question period. That is a matter for all members to agree on.

Mr. T. P. Reid: Can I speak on that?

Mr. Speaker: No, because it is not a point of order.

Mr. Di Santo: Mr. Speaker, I would like to remind you that you have the power to add time to question period and run the question period.

USE OF DOWNSVIEW LAND

Mr. Di Santo: Mr. Speaker, I have a question

for the Minister of Municipal Affairs and Housing. Can the minister tell the House what use his ministry may have for the land that the Ministry of Transportation and Communications has used for the driver examination centre at Highway 401 and Keele Street, in view of attempts by local residents and people in the municipality of North York up to this time to know what will happen to that land?

Hon. Mr. Bennett: Mr. Speaker, in conjunction with the request of that municipality, others and, indeed, many members in this House, to try to get on with providing more rental and ownership accommodation in the Metropolitan Toronto area, at the moment we are exploring the possibilities—and I want to emphasize the words “exploring the possibilities”—of finding some way of transferring that land from the Ministry of Transportation and Communications to the Ministry of Municipal Affairs and Housing for the potential purpose of some type of construction to afford people the opportunity of living in this particular area, either in rental or ownership accommodation.

We looked at the land in question because of its proximity to transportation networks and so on in the metropolitan area. I make no apologies that we are trying to explore the use of all the lands we own as a provincial government through our authorities, or by municipalities or other agencies of the public service to try to develop them for residential purposes, whether it be—and again I want to emphasize this—rental or ownership purposes.

Mr. Di Santo: Can I ask the minister to clarify it for us, because at this point nobody understands what is happening? In view of the fact that the land does not belong to MTC, as the Minister of Transportation and Communications (Mr. Snow) said last week, but to the Minister of Government Services (Mr. Wiseman); and in view of the fact that the Minister of Municipal Affairs and Housing told me in a letter of November 17 that he is having talks with the mayor of North York and the mayor said he never had any formal talks with the minister; and in view of the fact that the ratepayers' association wrote to the ministry and was unable to get an answer, will the minister tell the House if he is going to have any consultation with the municipality of North York and with the ratepayers' association? Will these be public meetings, so that the designation of that land will be accepted by the residents who have an interest?

Hon. Mr. Bennett: I am rather surprised at whatever remarks have been made by the mayor, because he was in my office not that many weeks ago. It was following the municipal election when I raised the question with him. For a long period prior to that, the staff of my ministry had been talking to the senior people in North York on the potential of using this land for residential development.

If that land is to be transferred and if we are to try to meet the demand, the requests and the constant badgering in this House of meeting supply, even by the member's leader, it will take, as I said last Friday, a concerted effort by this government and its ministries, an understanding and appreciation by the municipalities and, indeed, the municipalities will have to have the appreciation and the understanding of the residents of their particular municipality. If we happen to take over the land for housing purposes, we would go through the same process of requiring zoning changes to accommodate the type of construction as any other person owning that land.

I want to emphasize again to this House—and I said it in the estimates, I have repeated it here and repeated it outside in speeches I have made—that the only way we are going to be successful in trying to satisfy some portion of those in the rental field and in the ownership field is by utilizing lands that are owned by the public purse, either federally, provincially or municipally, and in a way which will serve the market best.

It can only be done, and I have said this very clearly and distinctly, providing there is a full appreciation by the citizens in the various jurisdictions and in the various municipalities of this province. It will not be successfully carried out by the Minister of Municipal Affairs and Housing nor by the municipality; it will be by an understanding and an appreciation by the citizens of this province for the needs of others in the community.

REPORTS

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Mr. T. P. Reid from the standing committee on public accounts presented the committee's report and moved its adoption.

Mr. T. P. Reid: Mr. Speaker, I hope that the assembly will have an opportunity to debate the report of the standing committee on public accounts some time in the spring. I would just

like to bring to your attention, sir, that there was a dissenting opinion in this year's report of the three-party committee put in by the New Democrats and the Liberals on the committee. This is the first time this has happened in some time, something that I am not overly happy about, but it indicates some of the problems that arise these days. In any case, I look forward to debating the report and I am sure everyone will find it is required Christmas reading.

On motion by Mr. T. P. Reid, the debate was adjourned.

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Mr. Treleaven from the standing committee on administration of justice presented the following resolutions:

That supply in the following amounts and to defray the expenses of the Ministry of the Attorney General be granted to Her Majesty for the fiscal year ending March 31, 1983:

Law officer of the crown program, \$4,932,500; administrative services program, \$49,505,000; guardian and trustee services program, \$9,092,000; crown legal services program, \$25,631,000; legislative counsel services program, \$2,084,000; courts administration program, \$113,633,000; administrative tribunals program, \$13,367,000.

3:10 p.m.

That supply in the following supplementary amount and to defray the expenses of the Ministry of the Attorney General be granted to Her Majesty for the fiscal year ending March 31, 1983:

Law officer of the crown program, \$1,000,000.

Mr. Treleaven from the standing committee on administration of justice presented the following report and moved its adoption:

Your committee begs to report the following bill without amendment:

Bill 188, An Act to amend the Assessment Act.

Motion agreed to.

Ordered for third reading.

MOTIONS

COMMITTEE SUBSTITUTIONS

Hon. Mr. Wells moved that Mr. Renwick and Mr. Swart be substituted for Mr. Mackenzie and Mr. Cooke on the standing committee on administration of justice.

Motion agreed to.

Hon. Mr. Wells moved that Mr. Cooke be substituted for Mr. Mackenzie on the select committee on the Ombudsman.

Motion agreed to.

ANSWERS TO QUESTIONS ON NOTICE PAPER AND RESPONSE TO PETITION

Hon. Mr. Wells: Mr. Speaker, I would like to table the answers to questions 283, 284, 288, 289, 290, 291, 293, 301, 312, 502, 503, 504, 505, 548, 593 to 600, 601 to 608, 647 and 681, all of these standing on the Notice Paper, and also the response to a petition presented to the Legislature, sessional paper 283 [see Hansard for final sitting day in December].

Mr. Laughren: On a point of order, Mr. Speaker: Could the House leader tell me where the answers are to questions 652 through 656?

Hon. Mr. Wells: I will be happy to look into that, Mr. Speaker.

Mr. Foulds: On a point of order, Mr. Speaker: I would also like to call the government House leader's attention to the fact that question 535 standing on the Order Paper in my name has not been answered since October 12. It was indicated in the interim answer that the information would be available November 29. We have had a full three weeks since that time.

Mr. Speaker: Before the orders of the day, do we have the consent of the House to revert to petitions?

Agreed to.

PETITION

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT BILL

Mr. Bradley: Mr. Speaker, I have some petitions to introduce to the House this afternoon. This petition is addressed to the Lieutenant Governor and the Legislative Assembly of Ontario requesting the honourable members to seek the withdrawal of Bill 127. These have been received at the Ontario Teachers' Federation office. There are 3,411 signatures on the forms I have here today, bringing the total number of signatures to 23,536 on this piece of legislation. I present this to the House. It reads:

"We request the honourable members to seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act."

ORDERS OF THE DAY

House in committee of supply.

ESTIMATES, MINISTRY OF TREASURY AND ECONOMICS

Hon. F. S. Miller: Mr. Chairman, you will understand that since the opposition critics have been so kind as to agree to a reduction in the times from 11 hours to five hours, the fact that my introductory statement is four hours and 50 minutes should not particularly bother them.

The truth is that I really do appreciate the co-operation of both parties and, since I have had opportunity in the last few months to discuss in committee and other places a good many aspects of my ministry's policies, I am going to be here simply to respond to legitimate questions and points of view.

Mr. T. P. Reid: On a point of order, Mr. Chairman: Does that mean we have to restrict ourselves to legitimate questions?

The Acting Chairman (Mr. Dean): Yes, no illegitimacy, please.

Mr. T. P. Reid: Mr. Chairman, I do not intend to be lengthy in my opening comments. I was hoping that the Treasurer, as I know he has on other occasions in the last few days, would tell us about the presumed job creation program that is going to be on a shared basis between the federal government and the Ontario government. There is a lot of concern in all of our communities about the fact that many of these do not seem to be about to take place in what might be called the reasonably near future.

Given the fact that the unemployment statistics have been increasing month by month, the fact that the Treasurer and his colleagues have known about these problems, the fact that the projections over the rest of the winter months are quite grim, and that even the most optimistic have said that while the economy may improve somewhat, they do not expect employment to improve, I would have hoped that the Treasurer would have had more to say today on exactly what he thought was going to happen, where the money was going to be put into these programs and when we could actually see people being taken off either the unemployment roles or off the welfare roles and put into some jobs.

Speaking of all of that, while we are doing the Treasurer's estimates—

Interjections.

Mr. T. P. Reid: This is difficult enough without that. For years, the Treasurer of the day, whether this one or one of his predecessors, have been taking credit for all the jobs they have created in the province. We find in the last

budget, on page 7, that the Treasurer was putting \$171 million into short-term job creation programs to provide something like 31,000 temporary jobs. His predecessors were a little more grandiose. They had a bigger vision than this Treasurer. They used to count them in the hundreds of thousands and millions and billions.

I would like to know from the Treasurer who, if anybody, in his ministry, which is being paid for out of the grateful taxpayers' pockets, is really able to track any of those and say, "We put this money into these kinds of projects and this is what the payoff was." I would like to know if any surveys were done in that regard so that we could give some credence and credibility to these figures that are tossed out so grandly every once in a while by the Treasurer or the Premier (Mr. Davis).

I hope when the Treasurer is responding after the opposition critics' opening remarks, he might deal with some kind of time table and tell us where the jobs are going to be created in Ontario so that we can give some glimmer of hope to those people who are in very dire economic circumstances at the moment.

3:20 p.m.

We have been over a great deal of the matters that fall under these particular estimates, estimates that are going to be spending \$2,535,339,500 this year. We realize a lot of that is in regard to the Board of Industrial Leadership and Development program in particular and interest on the provincial debt.

One of the matters I want to discuss briefly with the Treasurer, and I have asked him a number of questions on this over the past two months, is related to productivity. I recall my first question to the Treasurer was, "What are you going to do about productivity, given the fact that Canada's and Ontario's productivity is among the worst in the world?"

I have the headline from the *Globe and Mail* of about three weeks ago, "Canada is Worst in Productivity, OECD Maintains." I have a whole file here which indicates that productivity in Ontario is abysmal to say the least. I have asked the Treasurer questions. His first response was, "It all has to do with investment, and if we do not have a good climate for investment we will not have the investment and the new money for new machinery; therefore, we will not have any productivity."

I asked him another question last week and he started off on a rather lengthy lecture about what he viewed productivity as, and it certainly showed a better grasp than his first answer did,

but he never did get around to saying what exactly the provincial government was going to do about productivity. I would like to hear, during these estimates, exactly what the Treasurer thinks productivity is, how he would define it and what he thinks should be done to improve productivity in Ontario's economy.

I have an article here entitled, "Productivity is the Problem," written by David Crane, economics editor of the *Toronto Star*. He is talking about a speech given by Jim Brown of Woods Gordon, a management consulting firm. Mr. Brown spoke about poor performance. The article says: "The underlying problem in Canada's economy is our poor productivity performance."

"We do not use our resources, people and their skills, machinery and money, research and innovation, effectively enough. We have poor labour-management relations and too many strikes. We have government rules that discourage competition. Our businessmen are timid about foreign markets. We neglect research and innovation. We do a bad job of developing skilled people. The quality of management in business and government is inadequate."

Mr. Brown goes on to say, and I find this very interesting: "We certainly are not getting the leadership we should from our politicians and industrialists. They seem to be doing everything they can to steer away from the central issue: productivity. We are all experiencing the growing spectre of unemployment but no one is identifying the real cause: competitive weakness in the marketplace." That is what bothers me.

The Treasurer and those people opposite are sitting there, as are our federal friends in Ottawa, expecting that all we have to do is wait for the tip of the upturn in the business cycle and everything will be fine again, everybody will be back to work and we can settle back into the way it was in the late 1960s and early 1970s. It is not going to happen. We have been told time and again, and the minister has the studies from his own ministry, about the structural problems in the Ontario economy.

He has heard ad nauseam about the 40,000 permanent jobs that are lost and are being lost in the auto industry, in the mining and forest industry in northern Ontario and in other sectors of the economy, and yet neither the federal government nor this government here in particular seems to be dealing with that. In all the literature I have read about productivity, that is what it comes down to. The basis of productiv-

ity is competition, and if productivity is poor we will not be able to compete, we will not have any markets and there will be continued high unemployment.

The article goes on to say: "Provincial politicians are also to blame, as Brown stresses. We see a stagnation in growth over several years and a downturn trend in productivity in Ontario, the heart of industrial Canada. Yet no provincial minister in a position to attack the central problem appears to be interested in providing vocal and visible leadership."

To whom was he referring there? Who is the number one economic minister in the government of Ontario? For those who are listening so intently, it happens to be the Treasurer. Where has his vocal leadership been coming from? Never mind doing anything in particular, but where has he been leading the parade on this very vital issue?

The article continues: "Productivity, in fact, is the key to a better standard of living. If the country is able to get more production out of the same resources, then it can pay wage increases and invest in better facilities without having to raise prices and cause inflation. Unfortunately, Canada's record is one of the worst in the industrial world, according to the OECD." I quoted some figures to the minister some time ago. Of 12 western democratic nations, including Japan, I believe we were 11th in the productivity parade.

These are not matters that have just occurred. I also recall saying to the Treasurer some time ago that I understood from a very well-informed source that in 1975, I believe, the Premier seriously considered, to the point of approaching people, setting up a productivity board in Ontario. What rules and procedures it would follow, I have no idea. The Premier realized seven years ago this was one of our fundamental problems. He seemed to be prepared at least to get an advisory council together but that idea, along with so many others, was never developed, perhaps because the voters felt there was too much government interference in the economy.

I say to the Treasurer I think that is an idea whose time might have come. I refer him to an article written some time ago in the *Globe and Mail* in relation to a speech Brian Mulroney gave to some industrial group regarding productivity. He laid out four or five specific areas we could deal with to improve productivity in Canada. He was speaking about Canada, but because we are the industrial heartland, it is so

much more important to us here. He suggested a council composed of government, labour and business that might have the power to provide tax credits to those who showed improved productivity, to keep good economic statistics to show those who were not, and to do something about improving labour relations and so on.

Yet we have not heard anything from this Treasurer, or anybody over there, about the long-term solutions to Ontario's economy or even any admission that there are long-term problems. According to them, the problems are simply short term. We are at the bottom of the recession or depression, depending on what one calls it, and when the world economies start buying again, Canada and Ontario will automatically take their rightful places in the world and full employment, however defined, will bloom once again.

3:30 p.m.

I wonder what the Treasurer would consider to be full employment in Ontario. Going back through a number of budgets given by various Treasurers, I noticed they keep using a different set of figures as to what constitutes full employment or what we might consider acceptable unemployment in Ontario. The last time it was done I think the figure was about 4.5 per cent, if I am correct. I wonder what the Treasurer's views would be on that.

In any case, I suppose I could keep reading into the record headlines that I think are frightening: "Record on Labour Costs Second Only to US," showing that our costs in labour may well not be out of line. The article says it found "Canada's productivity record to be abysmal. In fact its record was the worst of all the countries, a point that is made in a number of economic studies and reports."

My file here is obviously not complete, but if the Treasurer is lacking some of this information, I would be glad to send it over to him. It includes an article on a productivity poll that was done by the Canadian Manufacturers' Association, which is not a body that I entirely, or usually, agree with. It was interesting their survey indicated that the man or woman in the street was well aware of what productivity meant and what it meant to his or her future as well. I will just quote from this item:

"A survey done by the Canadian Manufacturers' Association reveals that ordinary Canadians associate better productivity with reducing unemployment, inflation and interest rates and with increasing exports and the standard of

living. 'The survey shows,' says the CMA, 'that Canadians are well ahead of our major institutions in their recognition of the problems of productivity.'"

A major institution in this context, I would submit, is the government of Ontario. I went through the budget and there is nothing at all in there about productivity. It amazes me that it is a matter which the Treasurer has not dealt with at all. He can use whatever definitions he wants but I hope he would in some serious way suggest what he is doing to improve productivity in Ontario. Would he not consider talking to his colleagues in the cabinet, particularly the Minister of Labour (Mr. Ramsay) and the Minister of Industry and Trade (Mr. Walker) and say, "We have to do something about this problem. Let us call labour and management together, all of us, and do something about this very serious problem"?

It is interesting that those countries which have been very successful relative to Canada and Ontario have had some kind of direction that has come to a large extent from the government, but in co-operation with labour and management. I am sure the Treasurer is tired of having the examples of Japan and West Germany thrown at him, but it seems to me there are some excellent lessons to be learned there. Obviously, we cannot transplant everything that goes on somewhere else, but surely there are some ideas that would be applicable to the Ontario economic scene.

Mr. Chairman, I hope to initiate some dialogue with the Treasurer on the productivity aspect. As well, I hope he will discuss with members the timetable and the number of jobs that are going to be created and where and how, so that we can have some, albeit a very tiny measure, of Christmas cheer to take back to our respective constituencies.

The Deputy Chairman: I call on the member for Windsor-Riverside.

Hon. F. S. Miller: Well, Mr. Chairman—

The Deputy Chairman: Excuse me, I think the Treasurer would like to respond.

Hon. F. S. Miller: Mr. Chairman, I would be glad to answer my friends and will be guided by them as to whether the speakers wish me to respond.

Mr. Cooke: Wait until I finish.

Hon. F. S. Miller: I am quite happy to.

The Deputy Chairman: We have been allowing both and then you respond to them.

Hon. F. S. Miller: Fine.

Mr. Cooke: I do not want to maintain the tension; I would rather get this over with. It is hard enough to psych oneself up three or four days before Christmas to talk about the Treasury estimates after going through three months on Bill 179.

Under the Treasury estimates, I want to make a few comments about the state of Ontario's economy. I would begin by reminding members it was only seven months ago that the Treasurer brought in his budget. One statement in it goes as follows: "Because of these factors and actions, the Ontario economy should strengthen during the balance of the year. Employment by year-end should reach 125,000 over current levels. Real growth in the gross provincial product in the second half of 1982 should be four per cent on an annual basis."

Here is another excerpt: "The Ontario government strongly believes that policies for job creation must be an urgent priority." Finally: "Although the Ontario economy has been experiencing a cyclical downturn, the prospects over the next 12 months are more promising. Later this year, a recovery is expected to begin."

In March of this year, unemployment in Ontario was 7.7 per cent or 346,000 people. In April, it had gone up two-tenths of a per cent to 7.9 per cent or 357,000 people. In May, the month in which the budget was brought in, it went to 8.3 per cent or 376,000 people. In June it was up to nine per cent or 407,000 people; in July, 10 per cent or 460,000 people; in August, 10.8 per cent or 489,000 people; in September, 11.1 per cent or 504,000 people; in October, 11.7 per cent. In November, 12.4 per cent or 564,000 people were unemployed in Ontario.

The unemployment statistics supplied by Statistics Canada show about 728,000 people are unemployed in our province. It is an increase of 244,000 if one takes the base figure—244,000 people in just over a year. Youth unemployment is 198,000 or 18.6 per cent. Ottawa has 9.3 per cent unemployment, Sudbury has 28.5 per cent, Oshawa 16.5 per cent, Toronto 16.2 per cent or 9.2 per cent. My own home town has 15.1 per cent; Thunder Bay has 16 per cent. In just seven months the economy of this province, which is supposed to be only in a cyclical downturn according to the budget in May of this year, has entered what can only be described as a very deep recession if not a depression.

We are now seeing the ramifications of that. I would suggest the budget that was brought down in May of this year was completely off base. It completely misjudged how difficult the

economic situation was in this province. It should have been replaced as soon as this government came to its senses and understood how deep the recession was.

The ramifications are that welfare case loads have increased dramatically across this province. The statistics we have, supplied I believe by the Ministry of Community and Social Services, show that in October of this year Waterloo's welfare statistics were up 56 per cent to 3,496. Sudbury was up 52 per cent to 2,500 cases. Thunder Bay was up to 689 or a 42 per cent increase. Oshawa was 1,907, up 42 per cent. Metropolitan Toronto had 29,908 general welfare cases, up 38 per cent. Windsor was up 27 per cent and Cornwall was up 27 per cent.

It just goes to show how deep the recession is and how it is now affecting welfare case loads as people are coming off or running out of unemployment benefits. That has very significant ramifications for the property-tax base and the property taxes that will be set over the next number of months.

In my own city, we can see the recession has gotten so bad that no longer are the majority of people applying for welfare in the auto sector, which is the prime employer in our area. In March of this year, 807 nonautomobile sector people applied and qualified for welfare, whereas in that month only 40 were from the automobile industry. That is a trend that has continued all along this year.

3:40 p.m.

Our welfare budget has gone from \$5.2 million in 1979 to in excess of \$15 million in 1982. That is a 300 per cent increase in just three years.

The plant closure statistics are another indication of the depth of the recession in this province. In October 1981, in the category of reduced operations, there were 1,817 reduced operations. In that same category up to October 1982 there were 5,388 or an increase of 196.5 per cent. Partial closures had actually decreased a bit and in the category of total closures it went from 399 to 563, for an increase of 41.1 per cent. For just January to October of this year, reduced operations were 26,404 which is an increase of 218 per cent. The same types of statistics follow through on the partial closures and the total closures.

With all this data, plus the human misery which is really the bottom line for the economic depression that exists in this province, we get a response from the Treasurer that we need to have confidence in our economy: when con-

sumer confidence comes about the economy will recover. In my opinion, confidence will not be re-established in this province by blind faith in the private sector. It is going to take government initiative. It is going to take leadership from Ontario and from the federal government as well.

There was a Premiers' conference earlier this year, and we heard our Premier comment: "During the past year, we as provincial Premiers have shared a common frustration with the serious lack of leadership demonstrated by our federal government in shaping a national economic recovery." We in opposition also share a common frustration with this government's lack of leadership on the provincial front of establishing and leading us to an economic revival in Ontario.

In interest rates, one of the areas that is key to a recovery, the Treasurer has had more positions than even the provincial Liberals have had on the interest rate question.

As for youth unemployment, the Premier proposed this solution at one of the conferences: "The federal government should increase incentives for the creation of jobs for young people." Whatever that means. There were no specifics, no strategy, just a motherhood statement that we need more jobs for young people. Of course we need more jobs, but how do we go about doing that and what is this government prepared to do to create jobs for young people?

In the auto sector, the Premier has said: "The Canadian government should act with great determination to ensure that Canadian interests are recognized in any settlement of current international trade disputes in auto, steel and agricultural products. A national automotive parts program should be established to enable the auto parts industry to restructure in order to meet the competition of building components for future generations of autos."

What is this government's position on content legislation? Perhaps the Treasurer would put that on the record today. Do they believe the federal government should introduce content legislation that would apply to the Japanese and to the North American market as well?

What is the provincial role in restructuring the auto parts sector? Surely the province that has well over 90 per cent of the auto parts sector has a role to play in restructuring that sector of our economy.

Is the response of this government to the crisis that has existed in the auto sector since late 1978 the establishment of the Ontario Cen-

tre for Automotive Parts Technology that was announced several times? Is that the entire response? The auto parts tech centre is fine, but what about the capital that is going to be needed for the Canadian auto parts firms, in order to allow them to take advantage of the new technology we are now aware of and to some degree have access to. It seems this government's response to the economic crisis has simply been Bill 179, which is not an economic strategy by any stretch of the imagination. Bill 179 is a political response to the deep economic crisis that exists.

Job creation programs announced by this government in the last few weeks amount to \$150 million until March 1983 and \$50 million over the next few months. How is that \$50 million going to be used? Maybe the Treasurer can be specific today as to how many jobs that will create over the next few months, how it will be allocated and what projects he is looking at, so we know exactly what we are talking about with that program.

After this government introduced its nine and five program, it waited for a federal lead instead of taking leadership. With the unemployment rate increasing, as it has over the last number of months in such a dramatic way, I do not understand why this government has not played more of a leadership role. Why did it have to wait for the federal government so we did not get a program announced until the beginning of December, which will not create jobs when we need them in the winter when things will be at their worst for 1982-83? Why does it always look to the federal government for leadership?

I would suggest the reason this government does that is because in Ontario the focus is on the federal government. It knows it can escape the political ramifications of nonaction by heaping blame on the federal government.

I read the Treasurer's comments at the finance ministers' meetings last week where he spent the first page or page and a half heaping praise on Mr. Lalonde. I gather the polls the provincial government has taken show it must demonstrate co-operation with the federal government and that is what is required right now. That is why it is trying to demonstrate this co-operation.

I would like to see the government take a more independent role. Sure there is need for co-operation, but there is also a need for this provincial government to take a lead role when the federal government does not act, to quit trying to perpetrate fraud on the people of this province and to indicate to them how deep and

difficult is the recession we are now in. We should not try to minimize the difficulty that exists now and we have to respond in kind. That \$50 million over the next few months is not a response at all. It is an insult to those who understand how difficult and serious the problems are.

There does not seem to be any recognition by this government of the longer term problems as well. We cannot allow the recession or depression we are now in the midst of ever to occur again in the province. We must begin now to recognize what is causing the problem, what the structural problems are and then take steps to correct those structural problems. Then we would not be so reliant on the American economy and export markets in the future and when there is a world-wide recession we could to some degree—we can never do it totally—protect ourselves against the world-wide and particularly the American depression that exists.

Now and in the past the emphasis on growth in Ontario has been on foreign investment. There is a political problem for those parties and individuals that believe foreign investment is one of the deep-seated problems in the economy. If a branch plant wants to locate in Windsor it is very difficult for me to say I do not want that plant and I do not want the jobs.

The Treasurer knows how to play that game because he does it well. When a branch plant is going to locate he says, "Are you telling us you do not want the jobs?" Of course we want the jobs, but we also want a strategy in the key sectors of our province that recognizes foreign dominance and the branch plant nature of our economy cannot be allowed to continue. We have to develop a strategy of self-reliance.

The reality is foreign investment and control can be related to plant shutdowns. The select committee on plant shutdowns and employee adjustment that was established before the last election came to that conclusion. Foreign control relates to the loss of job creation potential, the lack of research and development and the low level of management, skilled trades and marketing positions within our economy.

3:50 p.m.

Our reliance on branch plants and multinationals has inhibited growth in Ontario's economy in many sectors. The 1975 report of the Ontario select committee on economic and cultural nationalism said, and I quote:

"The most important effects of foreign direct investment and foreign ownership related to their cumulative structural impact on the econ-

omy. Branch plants of multinationals located here wanted entry to the Canadian market. But the result is that the economic interests of Ontario and of the subsidiary in Ontario are often different and they do not meet the requirements or the objectives of the people of this province."

The result, according to the Gray report in the early 1970s, was less production for the Canadian market, less opportunity for innovation and entrepreneurship, fewer export sales, fewer supporting services, less training of Canadian personnel in various skills, less specialized product development aimed at Canadian needs or tastes and less spillover economic activity. In many cases, our reliance on branch plants has resulted in the underdevelopment of Canadian industry, even where our market is adequate. Branch plants result in centralized control by the parent company. Branch plants import component parts and they prohibit exports. The bottom line is that we have job loss. The Statistics Canada study that was carried out in 1978 confirmed those statistics and confirmed the findings of the Gray report.

No matter how efficient the independent Canadian supplier might be, his price can never compete with the internal costing procedures of multinational firms. The result is we have significant trade deficits in important sectors of our economy. In the automobile sector, with the exception of this year—which I am sure the Treasurer would agree is unique and does not reflect any changes in the structure of the auto sector in Ontario—we happen to have a surplus. This is only the third year since the auto pact was signed that we have had a surplus. But the structural problems still exist when one looks at the huge deficit that exists even this year in the auto parts sector.

We have incredible deficits in the machinery sector where there are also incredible opportunities to create tens of thousands of jobs. I was amazed when I read reports out of our research department a couple of years ago saying we have more than a \$250 million deficit just in nuts and bolts in Canada and \$360 million in 1979 in mining machinery.

We were once self-reliant in food processing, but after the multinationals took over the food processing sector during the 1960s and 1970s we became net importers of food. We now import tomato paste, canned peaches, frozen strawberries—all things we can grow and process in Ontario. The solution to the problem for this government has been: "We will bribe the

multinationals. We will give \$6 million to Heinz and ask them to produce more tomato paste." It seems to me that, instead of bribing Heinz with \$6 million, the approach this government should have taken would have been to say, "Either you produce it, or we will go into a co-op with the farmers and we will produce it ourselves in a Canadian-owned firm."

At the same time as we import all these goods we are exporting thousands of jobs. This government's neglect of the real structural problems has led to today's crisis. No one and no one region has been exempt from the depression that exists. Rather than dealing with the real crisis this government attempts, as I have said before, to con the people by introducing Bill 179.

Even the government's own caucus members who sat on the plant shutdowns committee realize the problem. In its draft report the committee recognized that foreign ownership was one of the principal causes of the large number of plant closures in this province. In fact we had one representative from the Ministry of Industry and Tourism who indicated that between now and the end of the 1980s, I believe it was, at least 1,300 more branch plants were to close because of the ownership problem within our economy.

Foreign control has also been responsible for our having to follow the American interest rate policy. Interest rates have been responsible for the very significant crisis that exists in our economy and the collapse of consumer confidence.

We must in the short term recognize that there is an unemployment crisis. I believe that inflation is not the number one problem but that unemployment is. I think we must recognize this fact with programs and not just with rhetoric. The \$50 million this government has allocated over the next few months for jobs is totally inadequate. The 38,000 jobs they talk about over the next number of months are equally inadequate. We should be looking at a program that takes advantage of the demands that exist in our economy.

For example, we know there is a problem in the housing sector. We know there are literally thousands of people who need affordable housing. The grant idea or the interest-free loan idea that simply assists people who can already afford homes does not meet the requirement of providing housing for people who need it. But a program such as we have suggested, \$150 million in the co-op and nonprofit sector, would

create at least 15,000 units and would create 33,000 jobs. We would be attacking at that time two problems: the housing crisis with affordable housing, as well as unemployment; and the spinoff, of course—jobs in the furniture sector and in the carpet and appliance industries—would be additional benefits.

With respect to energy conservation, literally thousands of jobs can be created if the government is serious about getting into the conservation area. This government has a program on conservation, but it is an inadequate program. There is no follow-up to the program, and it has not worked the way the government led us to believe it would. Again, jobs in energy conservation have two advantages.

Massive amounts of money simply have to be put into public works in our municipalities for roads, sewers, the upgrading of buildings and needed public buildings. That is simply a program that has to be instituted; but again, not with \$50 million. It has to be a program that will create tens upon tens of thousands of jobs to get this province moving, to stimulate the economy and to develop the consumer confidence this Treasurer talks about.

We should take advantage of school boards, colleges, universities and hospitals and develop the kinds of building programs that are necessary to meet those social needs and job creation needs. We have proposed to this government time and time again the concept of a community adjustment program, which would assist the communities that have been hardest hit by the depression that exists. I suggest to the Treasurer a community adjustment program is needed today more than it was a year ago when we first suggested it.

In the long term we have to take a look at key sectors of our economy and develop and build on the base that already exists. In the auto parts sector, sure, we have an auto parts tech centre, but we have to get the capital to the Canadian-owned auto parts firms so they can revamp and take advantage of the new technology that exists in our country now.

In food processing we need direct assistance to Canadian firms and co-ops in a program of import replacement and therefore creation of jobs. That program must have less reliance on the multinational firms than this government is contemplating right now.

The machinery sector is an area where thousands of jobs could be created by a government that had the will to do so. Mining machinery, forestry machinery, pollution abatement

machinery and industrial machinery are all areas where we have huge trade deficits.

In the area of inflation, this government must attack the areas where inflation is occurring. The government could take positive steps. For example, the government could introduce legislation to outlaw extra billing by doctors. It could put on a freeze or apply the five per cent to Union Gas and Consumers' Gas and the other home heating fuel companies in this province. The same goes for Ontario Hydro. The province should roll back. It should not have instituted its 17 per cent increase of Ontario hospital insurance plan premiums on October 1.

4 p.m.

If the government were serious about controlling prices, we would not get the stonewalling we get from the Minister of Consumer and Commercial Relations (Mr. Elgie) about the difference between leaded and unleaded gasoline prices in Ontario. I noted that a small article appeared in the *Globe and Mail* on Saturday showing that the Manitoba government was not afraid to investigate this problem, as well as the unfair prices that are charged in northern Manitoba, whereas this government says that is not within the provincial jurisdiction.

Further, if this government were serious about inflation, it would roll back the sales tax increases that were instituted in the May budget of this year. I want to know from the Treasurer to what he attributes the decline in sales tax revenue. Does he really believe that the increases or the expansion of coverage have had absolutely no effect on consumer confidence or consumer spending in Ontario? I do not believe the Treasurer believes that increases or expansion did not have some serious effect on expenditures of consumers in this province.

I suggest further that the Treasurer should set up a committee within the ministry to review seriously all tax expenditures within this province; it should find out and publish exactly how much money we are losing through revenues because of tax expenditures. Let us balance the gains we make in jobs and the revenue the government loses.

I am not opposed to tax expenditures if they are working, but there has been no proof provided to this Legislature. There is no tabling on an annual basis of exactly what kinds of moneys we are talking about in terms of tax expenditures. Let us have a cost-benefit analysis as to what is happening with them. If they are working, let us keep them. If they are not working, let us eliminate them. If a company is

going to take advantage of the tax expenditures, why can we not take a look at signing performance guarantees as they do in some of the western European countries?

We believe there should be a surtax placed on individuals with a taxable income of \$40,000 or more. This would produce approximately \$290 million. If that revenue were combined with, for example, some curtailment of Hydro expansion, a re-examination of the uranium contracts, elimination of the Trillium Exploration Corp., along with a serious cutback in provincial government advertising, and if we ploughed that money back into job creation, we might be able to convince the people of this province that Ontario was serious about creating jobs.

In summary, it seems to me that the approach this government has taken is that we cannot do anything on our own and that it is up to the federal government: it is a national problem; it is an international problem. Both the Premier and the Treasurer throw their hands in the air and say there is nothing they can do. They say to the opposition parties that we are the doomsayers. It seems to me we have taken a positive approach to this economic crisis. We have pointed to the problems. We have also pointed to what we believe are some of the solutions.

We believe there is a positive and significant role that the provincial government can take to get us out of the recession or depression. Instead of throwing their hands in the air, the Treasurer and government members should take advantage of the significant opportunities that exist within this province. In the machinery sector or in the auto sector, thousands of jobs could be created by a government that has the will to create those jobs.

It would be more than delightful to see the provincial government bring in a budget early in the new year that took a serious look and took serious action to create those jobs both in the short term and in the long term. Instead of playing the political game of blaming the feds and looking to the feds for leadership, it should show a little leadership of its own and develop a long-term strategy as well as a short-term strategy to get Ontario moving again.

Hon. F. S. Miller: Mr. Chairman, first, let me congratulate both my critics, because I think we have had a more traditional and useful discussion on the merits or lack of merits of our government programs. Their duty, which is obviously visible today, is to tell us where our shortcomings are. I do not find anything to criticize in that at all. It is proper in our system

of government for us to be told just how things can be improved; indeed, any government that totally closes its ears or its minds to the suggestions made by opposition parties in good faith is not doing its duty.

We cannot always agree, because in some cases we differ very fundamentally on what we believe are the routes to success or solutions. Those are the very bases we use when we stand up in political campaigns to differentiate ourselves: to say this party believes in this, and that party believes in that. As I have pointed out many times, it is always easier to say, "If we were there, things would be better," than to do it when you are there. That is true.

Because of the confidentiality of the session we had in Ottawa last week, I cannot quote specifically what the Minister of Finance for Manitoba said in one of the sessions, but it was diametrically opposed to the point of view coming from the NDP benches here. I could not help but chuckle and say, "Would you please call the leader of the New Democratic Party in Ontario and tell him what you just said here?" He just chuckled and said, "It is his business to do what he has to in his job, and it is my business to do what I have to in my job."

That points up the big difference. Very often it seems hard to differentiate governments in power one from another. It is sometimes hard to differentiate a Conservative government in Manitoba from a socialist government in Manitoba, or a Conservative government in Saskatchewan from a previous socialist government, once they are in power. In opposition, they are able to paint their differences starkly and realistically, but once in office, they have some difficulty being quite as radical as they said they would be when the opportunity arose.

Last week's meeting—the Liberal critic talked about the federal meeting—I thought was a useful one. A lot of people said, when I came back: "What did you decide upon? What did you agree to do?" The answer is that not a great deal was agreed to at the meeting in terms of specifics. If you asked me what hard news came out of the meeting, what agreed-upon programs came out of the meeting, I would be hard pressed to define much.

I have been to many of those meetings now, and not just as minister of finance for Ontario, or whatever the name happens to be in a given province. I have been to a number of them as Minister of Health, as Minister of Natural Resources and even, before that, as the assistant

to the Minister of Health; and I have observed the changing scene.

The NDP critic has made a good deal of the fact that we appear to blame the federal government a lot, or to say it is somebody else's role or somebody else's responsibility. In a complex country like Canada, where the divisions of responsibility are not clear, it has always been the province's wont to blame federal governments and the federal government's wont to blame provinces or outside forces or both.

What made me an optimist after last Thursday's meeting was that, for a change, we said we would not do that. Of all the things that happened that day, that may be seen a year hence as the most important single element. It is not quantified in an accord or a program or anything else. It did not mean that we are happy with federal Liberals or whatever. It simply meant that, in the interests of a nation, in the interests of the 1.5 million people in Canada who are without work, that we should not be exacerbating the problems by fighting internally, but rather simply saying: "We will do our best collectively and independently to solve those problems. We will agree to talk together a lot more before we try to solve problems individually. We will do our best to see that our efforts, be they in budgets or direct programs, reinforce each other, knowing all the while that in a country as vast as Canada we cannot expect the problems or the programs of British Columbia to be those of Newfoundland, nor can we expect Alberta to worry much about the output of cars in Ontario."

4:10 p.m.

One of the points I brought up, and I am sure the members have heard us talk about it many times, is that as a nation, Canada has more internal trade barriers than the European Economic Community. I find that a frustration each time I go to a meeting with my 11 friends, because I represent one of the provinces that would benefit most from the reduction of those barriers.

It is something like the traditional free trade stance of the United States which existed until the last couple of years. They are still espousing free trade but they are certainly not acting that way any more as they become more and more protectionist.

For many years, I have heard my friends in the other provinces talk about the Canadian market, all the while making sure there was no Canadian market. They would do their best to find ways of stopping the flow of goods, servic-

es, people, money, the right to purchase land and a whole bunch of other items that they would just put in the way of making this a working country.

With only 25 million people spread across the space we have, we are rather foolish to be concentrating on those rivalries when we have so much to gain by working together.

Again, I sensed that perhaps some of that was disappearing last week. Perhaps the severity and length of duration of the present recession finally has sunk into the minds and souls of those people who represent all of us. I am not the least bit anxious to fix blame, but I am trying to find a proper part for my government in the overall revitalization of the economy.

A lot of fun is made of my comments that we need to improve confidence. I do not mean that in an airy-fairy way, saying "I think it is going to be better; therefore, it shall be and therefore you should believe it shall be."

Mr. Laughren: That is what you have said for years in your budget speeches.

Hon. F. S. Miller: I have not been too far off most years.

Mr. Laughren: Nonsense. Your figures have always been wrong and deliberately so, I suspect.

Hon. F. S. Miller: My friend keeps saying that. I am not about to be aroused by that kind of chatter today.

Mr. Laughren: I am not interested in arousing you.

Hon. F. S. Miller: I am so glad he is not. At my age, no.

My friend the member for Rainy River (Mr. T. P. Reid)—

Mr. T. P. Reid: Who got married.

Mr. Breaugh: I think he lost his train of thought there.

Hon. F. S. Miller: What was it they called it? A switch? A derail? My friend the member for Rainy River was talking about a definition of productivity. He asked me to try to define it. He said I had given him two answers over a number of months; the first one was not very good, the second was a little better. As I recall, that is the sum total of his comments.

Productivity is not a simple, one-dimensional issue. The unit cost of production in our country might be the variable that is easiest to measure. The easiest way to determine whether we are improving or going the other way is to see how those unit costs are moving versus those of other major competitors. The United States used to

be our major competitor. It is still our major market and major source of imports, but our real competitors are in other parts of the world.

Unit costs, I suggest, are influenced by our labour rates and by the value of our dollar; or our exchange rate, in other words. They are also influenced by the willingness to reinvest in more modern plant and equipment: the acquisition of robots, for example, and the use of computerized design and manufacturing techniques, all of which are coming along.

One of the roles government can play in making productivity improve is to have a tax regime for corporations that either gives a bonus for reinvestment—and the investment tax credit has been used by the federal government as well as by us—or leads the small company in particular into contact with more modern technology and helps in the application of that technology.

To me, technology transfer is far more important in today's Canadian environment than is pure research and development. There has been a lot of talk about research and development; it is a buzzword. Everybody wants to do a lot of research or else wants a lot of it done here. I am not so sure how much the Japanese practise pure research, but they sure were tremendous appliers of known technology.

Mr. T. P. Reid: If you don't do your own research you will lose the brain power.

Hon. F. S. Miller: I think we are redirecting. I am not in any way belittling research or saying it should not be done. As a matter of fact, under the Board of Industrial Leadership and Development document, which many members opposite have found some cause to criticize, I hope members will understand that we tackled both research and applied technology in different ways. The IDEA Corp., which is now just nicely coming along, was there to—

Mr. T. P. Reid: I read their annual report. It kept me up for hours.

Hon. F. S. Miller: It does not take very much to keep my friend up for hours. I have been out with him.

Mr. Haggerty: There was nothing in it.

Mr. T. P. Reid: It was all of two pages.

Hon. F. S. Miller: Knowing the rate at which my friend reads, that would be a whole evening of reading for him.

Mr. T. P. Reid: We will have a bigger report next year, it said.

Hon. F. S. Miller: We will have, I can assure my friend of that, because I have been sitting with the chairman and the president as they have come before the BILD committee of late and shown us the progress they are making.

But let us forget about its immediate first-year progress. Let us bear in mind it is a concept that required a fair amount of time to change from simply an abstract idea into a working plan. That has pretty well been done, and I think the member will see as time goes on that we will be emphasizing the co-ordination of university research and industry's needs. We will be co-ordinating to some degree the research done around Ontario. We will have a much better awareness of who can do what in that field, both in the factory and in the academic areas.

Let us not get hung up on saying that new research is our major need. I suggest that the productivity the member talked about—I am still on the issue of productivity—can be dramatically improved in Canada, without our doing one bit more research, by emphasizing and investing in the equipment that we know improves productivity.

There is a great deal of understandable fear when we talk about robotization in the factory about what this will do to jobs. I do not know how one says any improvement in productivity should be put to one side because it eliminates jobs. If we go right back to the cotton jenny, which was perhaps one of the first major improvements, probably more dramatic and traumatic—

Mr. T. P. Reid: I saw you out with her once.

Hon. F. S. Miller: Yes, that was gin. The cotton gin was related to the cotton jenny.

Mr. Foulds: Your jokes are no better than your economics.

Hon. F. S. Miller: I can only respond to the level that comes from the other side.

Mr. Laughren: Really, I would have thought you could rise above it.

4:20 p.m.

Hon. F. S. Miller: I am trying to keep this on a reasonably placid, thoughtful basis. The member can recall the reaction in society when the industrial revolution started and everyone was assured there would be no jobs left in society. As time has gone by, not only have we had fewer and fewer people as a percentage of our total population required to do the basics of life, such as feed us, but we have had higher and higher standards of living all the while through the

application of improved productivity techniques, no matter how radical they may have seemed in their day.

The road towards a better of quality life, if it is measured in terms of gadgets and dollars earned, is still through the application of known, existing productivity-improving technology. That is why the tech centres are so critical to the future success of Ontario; and those tech centres are not out to reinvent the wheel, but to bring the person who needs a wheel into contact with the knowledge that a wheel exists.

Mr. Cooke: They were out to re-elect the Tories.

Hon. F. S. Miller: No, I do not think my friend will find that we have played up that side at all, although no politician worth his salt is going to do things that do not help him get re-elected.

Mr. Cooke: That is why the auto technology centre was promised to Windsor, Durham and all the rest.

Hon. F. S. Miller: It happens, though, if one looks at this party's record over the 39 going on 78 years it has been in power, that it has had a penchant for doing things that were in the interest of people, and therefore were good politics, and therefore re-elected their people. It is as simple as that. No one likes to admit that.

I am still talking to the member for Rainy River about productivity improvements. In that area we did quite a bit in the pulp and paper industry. My colleague is keenly aware of that. He may recall the criticisms of three or four years ago when we were putting that program into place.

The major criticism I recall hearing was that we were helping an industry that was too well off, that was making too much and that was too busy. We are not hearing too much of that today. We are hearing about dramatic drops in the output of pulp and paper mills in the north and of Marathon possibly being up for sale or closing. We have seen the CIP mill at Hawkesbury close. We have seen—

Mr. Haggerty: How about Ontario Paper at Thorold?

Mr. Chairman: Ignore the interjection.

Hon. F. S. Miller: The member for Erie is normally so placid and well mannered that to hear an interjection from that direction brought an expression of total shock to my face in disbelief.

Mr. Haggerty: I just wanted to make a comment.

Mr. Laughren: You have aroused him.

Hon. F. S. Miller: I only took that man's advice once; I went to a movie he recommended, and it was not all it was cracked up to be. It was *Boxcar Bertha* or something like that. If he had been a minister, I would never have trusted him after that, because he directed the whole Ontario Municipal Board select committee into a movie that was a grade C—well, it was better than a sleeping pill, let me put it that way.

Mr. Haggerty: Tell us what happened in Sudbury.

Mr. T. P. Reid: It must be Christmas.

Hon. F. S. Miller: Well, it is better than some things we could say. Nothing happened in Sudbury.

I argue that in the overall area of productivity improvement, one of my major concerns remains the confrontation between labour and management. What causes that to appear to be more tense in Canada than it is in the United States or in other countries I do not know. Observers of the scene say it is more tense. This is neither a pro-labour nor pro-management comment, but certainly the road to better productivity has a great deal to do with the mutual trust or at least respect those two groups have for each other and their willingness, allowing for their mandates, to understand their common goals and purposes and to work towards them. We have a great deal to do in this country to make sure that is improved, and that is another major governmental responsibility, as it is to the other two parties.

I also suggest that productivity is greatly affected by the skill of management. The Japanese, to whom the member referred briefly, have shown an amazing skill in terms of applying manufacturing techniques. I do quite a bit of reading on weekends, and I was reading recently an article analysing the Japanese scene and explaining how they have done so well. One was a matter of government policy and the other was a matter of management of corporations. I will deal with both.

The productivity increases were, they said, very much a function of the bright young engineers in Japanese industry being put on the production lines to improve techniques of manufacturing rather than on the design or financial side. They said that we in North America tend to de-emphasize the importance of production engineering as opposed to other forms of engineering. As an engineer, I tend to agree with that.

The second aspect is how they protect a home market while they are developing a particular competence in a particular sector. One could look at television or automobiles, both of which are past history at the moment. There was a time when the Japanese could not compete in the world auto markets. There was a time when they could not compete in the television markets. While they could not do that, they totally protected the home market from the countries that did it well by techniques they had developed to a degree of expertise that makes my head spin when I see them.

Mr. Haggerty: Higher tariffs have been very successful.

Hon. F. S. Miller: Not just tariffs; the nontariff barriers are more important. In any event, they protected the market by a whole range of techniques. They developed a relatively large home market. They honed down their quality of product and their ability to cut costs until they knew the costs of that product were competitive with the world markets. They then opened the barriers to the home market and penetrated the other markets of the world, undercutting them.

The Americans always have been much more idealistic free traders than that and have seldom tried to protect their home markets in the process. I think they have paid the price for so doing.

My colleague the critic from the New Democratic Party talked at great length about my budget forecasts and their accuracy, and I have heard another member alluding to that from the seats. Let me say, categorically, that no matter what the member for Nickel Belt (Mr. Laughren) may believe, I have never had a forecast that I did not believe at the time was accurate.

I read an interview with Sylvia Ostry a month or so ago in which she was asked about economic forecasts. She said the big mistake we make is to assume that they have a high degree of accuracy when, in fact, it is not a business known for its accuracy at all.

I suppose there has never been a time when it was more difficult to determine what will happen. I wish I could tell members that I know my present forecasts of a mild growth through 1983 and a slightly better growth in 1984 will happen. We believe they will, and that is where confidence comes in: we believe they will.

When we went round the table last week at the finance ministers' meeting, it was not just Ontario that believed it would get better. Canada believed it would, and the other nine

provinces, as far as I can recall—and I will say almost without exception in case there were some—felt the same thing. They really felt that improvements would be modest but real.

This year I was wrong; I have said that before. One of the things that intrigue me—and I can understand why politicians seldom admit they are wrong—is that it makes a headline at once to admit you are wrong.

Mr. Laughren: Not only that, but it would be a full-time job.

Mr. Foulds: Perhaps you could make a career out of it.

Hon. F. S. Miller: Well, I go on the assumption that if I am right more than half the time things are not that bad.

Mr. Cooke: Let's start counting.

Mr. T. P. Reid: I missed your 50 per cent of being right.

4:30 p.m.

Hon. F. S. Miller: This is a bad year for economic forecasts and economic forecasters. We have seen inflation come down dramatically over the year. There are those who would argue that inflation rates will continue to come down. We have seen interest rates follow them.

The real interest rate charge is still too high. To some degree it is a function of that lack of confidence or lack of sureness of what was going to happen. When I was a young man about the age of the member for Windsor-Riverside (Mr. Cooke), there was one rate at the bank. There was a six per cent rate and that was it.

It went on and on for years; six per cent. We then moved to the changes in the Bank Act and the changes in world economics and we have seen rapidly fluctuating rates. I wonder if the time has not come for the weekly auction of Treasury bills, which will go on anyway, to be the determinant of the interest rate.

It is like the weekly figure everyone has to wait for to tell one whether the economy is going in the right direction. We tend to put all kinds of emphasis on something that many weeks is only a technical measure of the manipulations of the central bank. In no way is it a free market determination of what the rate should be. Anyone who has studied that knows most weeks the Bank of Canada is in total control of the outcome.

I am not saying it should not be, but to pretend that it is a free market determination is, to me, a hoax. The government of Canada is responsible for fiscal and monetary policy. In my opinion, the government of Canada should

not pretend that it is not in charge of that market when it is. The government of Canada should make a decision that stability in interest rates is more important right now than anything else, that the declines or fluctuations in it should be dampened. The trend line should be honoured, but we should not be playing games with that rate quite as much as we are with that rate. The value of the—

Interjection.

Hon. F. S. Miller: We have seen the Bank of Canada in the last few weeks and the Secretary of the Treasury or whatever he is called in the United States go off M-1. That does not bother me at all. The first question I ask an economist is: "What did M-1 mean and why was it so great? What makes you think M-1 should be telling us what the state of the market is? You have M-1, M-2, M-3, B, C, D, E and F, or whatever you want to have. They are all forms of keeping investment—"

Mr. T. P. Reid: Do you believe Milton Friedman?

Hon. F. S. Miller: Milton Friedman is the closest thing to an understandable economist I have run into in the nongovernment world. I hastily added the last letters.

Mr. T. P. Reid: Nobody agrees with him.

Hon. F. S. Miller: I did.

In any case, they have suddenly discovered M-1 is not a good measure. It is not the variable they thought was a useful determinant of the quantity of money around. They tried to find other ways of coming to a control. I would argue they are looking at the work force. They are looking at a bunch of factors. I think we are going to see that politicians will need to have a gradual reduction of interest rates to get us to the point where the consumer takes over.

This is where we often differ with the New Democratic Party. No matter what government can do with its various programs of public works or work creation, the member is quite right when he says all we do is hire a small part of the number of people who are out of work. The rest of them are not going to be at work until such time as we are able to restimulate consumer buying. That is the question of confidence.

One can look at the tax regimes needed to do that. The member touched upon sales taxes and how much one could cut spending through sales tax changes. I am reasonably satisfied that sales tax cuts on specific items such as automobiles have worked when we wanted them to.

Mr. Laughren: I had a call from a dealer the other day. He wants to see you.

Hon. F. S. Miller: A lot of them do. It is funny, but this year there has been little pressure on us to do that. I think most of them have adjusted their inventories and markets to conditions. A year or so ago they had not.

I would say though, in my humble opinion and in the opinion of most finance ministers, it was not a time for personal income tax cuts. The reason we say that is the big problem out there in the marketplace is the savings rate at the present time. The savings rate, obviously, is for people who have surplus cash. They are the people who also have the higher rates of taxation and, therefore, reducing their income tax rate further at this moment is not going to stimulate spending if they are not spending the money they currently could spend.

Mr. Cooke: Reduce it for the people at the bottom.

Hon. F. S. Miller: I understand that for the people at the bottom every available dollar will get spent. I accept that, because many of the people at the bottom are not paying significant amounts of personal income tax anyway. One has to look at other techniques for them.

I firmly believe that the last five quarters of recession and the rapid variations in things like the interest rate and the inflation rate have really shaken a generation of people who have not seen that happen before. It has shaken their confidence. That, added to the present job insecurity, has had a snowball effect and has caused those who could have purchased goods to stop purchasing and, of course, created unemployment for those who are on the borderline anyway. So there has been a double-edged effect.

We all have a major task ahead of us to convince the ones with savings who are weathering the storm to believe there is cause to make some of the decisions to purchase things they need to buy now. That is one of the issues we discussed at some length, and it was unanimously agreed in Ottawa among the finance ministers that only a consumer-led recovery could solve the problem. I stress a consumer-led recovery. That does not mean we are in any way ducking government's role in stimulating the consumer-led recovery; just that that was the solution.

My colleague asked about the \$50 million we are spending in the next three months, where it would go and so on. I simply say to him that has been totally allocated, I am told, by the minis-

ters who received it. I understand they are issuing specific announcements on specific projects and these will be accomplished within the time frame. The other \$200 million from the federal-provincial Canada-Ontario employment development program will be somewhat slower in coming out because, as I understand it, the municipalities have not yet received their forms. We expect that the municipalities, in this case, instead of getting an allocation of dollars to spend, will apply for works and ask for money to cover them. It is the reverse of the Ontario scheme.

Members will recall last spring we made an allocation of money and said, "You may have this if you can put up your share." This is going to be passive in the sense that we are asking municipalities and all those groups which are eligible to say, "We would like to do this specific project and we request approval." I think it is important that people understand that.

The member talked about capital. I am never quite sure what his beliefs are about the creation of capital. I have a better idea about the redistribution of capital. I suspect we differ more on the redistribution than on the creation. I would like to point out that capital is not dollars. The bank prints the dollars. The member knows that. Capital is something all of us create that is added to the stock of this country at the end of each working day and that entitles the bank to issue dollars to cover it so that we have not, in effect, inflated the value of those dollars, or inflated the numbers of dollars relative to the capital of the country.

That gets into the question the member and I differ pretty widely about, that is, the importance of foreign investment in the country to create goods in this country. In a question period not too long ago, the member and I had a discussion about this. I tried to point out, for example, we are buying mining machinery at the present time in large quantities, and if a foreign company wants to come into Canada, put up the capital to put a Canadian branch plant in and start either assembling or building the components or whatever, but in effect adding value in Canada, are we richer or poorer at the end of the year if they send their dividend home. That is where it all hinges: on the return of a dividend to a parent company. I say we are richer—

Mr. Laughren: What if we had made it ourselves? We would be richer still.

4:40 p.m.

Hon. F. S. Miller: Just a second now. The ideal is for Canadians to own the companies; I do not think we disagree on that. The question is, how we get there with our own assets? How do we encourage people to do it? How do we create the wealth for Canadians eventually to become the owners of Canadian assets? But the branch plant that functions in this country hires people who otherwise would not have jobs, usually buys materials in this country, usually replaces the import of a product and sometimes even exports that product, and in return it sends a dividend out, all being well, to the parent company.

I would say that if you measured the size of the dividend against the value of the imports it replaces, the cost-benefit ratio is huge; the wealth generated in the country and very often earned at another place far exceeds the moneys it sends out to the owners of the company if, as and when the company's assets justify the payment of a dividend. We tend to forget that, and that is one of the biggest reasons for encouraging foreign investment: not just the jobs but the impact it has on the overall wealth of the country.

The honourable member talked about energy. I would only say that I disagree with him. I think our Ministry of Energy has been exceptionally active in its residential energy advisory program, its Big Energy Saving Team program, its off-oil program, its insulation programs and so on. I would say we have done a great deal. In fact, one of the reasons Hydro's energy forecasts of oil consumption are dropping is the success of the energy conservation programs.

All in all, I thank the two leadoff speakers for the opposition parties for good comments. I have been listening to them and I do not reject everything they said. I cannot begin to say that things are happy or well off in the province, but I sincerely believe they are getting better and that we have responsibly managed the affairs of the province.

On vote 901, ministry administration program:

Mr. T. P. Reid: Mr. Chairman, to speed things along, maybe we could take any item under vote 901 and then go to 902.

Mr. Chairman: I was hoping we could do that.

Mr. McClellan: If I could just speak to that—

Mr. Chairman: Is this in clarification?

Mr. McClellan: Mr. Chairman, I thought we had an understanding on the part of all three parties that we would have, as the phrase is, a wide-ranging debate that would take place

under the aegis of the first vote, and then when we had finished the time we would pass everything.

Hon. F. S. Miller: That was my understanding.

Mr. Chairman: Would that be okay? Remember, you are the critics.

Mr. Bradley: Mr. Chairman, I am glad we are having a free-ranging debate. It allows that flexibility, because I wanted to discuss with the Treasurer a couple of aspects of his ministry that are so very important.

As the Ministry of Education critic for the official opposition, I am extremely concerned about the amount of money that will be transferred to municipalities in the form of funds for boards of education. As a former municipal politician, and one who keeps in close liaison with at least the city council if not the regional council, I am extremely concerned about the amount of money this body will have available to it over the next year. I am concerned because if you think of the specific area I reside in—that is, the Niagara Peninsula—you will recognize that the latest figures show that we have a 19.1 per cent unemployment rate.

While I recognize that a small part of that can be attributed to the fluctuations in the automotive industry as they relate to temporary layoffs, there are a number of people who have been unemployed for several months, and we have reached a relative figure of 19.1 per cent, a figure that concerns a lot of people who would heretofore have said, "It is just a temporary thing, and when the economy bounces back in a short time we will be in good shape."

I am concerned about the transfers to municipalities because, as I raised in a question period and others have done so as well, welfare payments in particular municipalities—I am thinking of the regional municipality of Niagara—are going to increase tremendously this winter. I believe we are over 5,000 payments now in the Niagara Peninsula from the social services department of the regional municipality of Niagara. That means there is a greater burden going to be placed on the local taxpayer.

One of the solutions is to tax the people in that community at a higher rate to pay for those who are suffering from unemployment or require welfare services. Unfortunately, this involves taxing a community already in a somewhat depressed state, looking at the Niagara Peninsula as a whole.

This is why I think it is essential, and I am sure this argument could be made across a good deal of Ontario, that the Treasurer give an undertak-

ing to allow municipalities to have something above what the Minister of Municipal Affairs and Housing (Mr. Bennett) indicated at the annual meeting of the Association of Municipalities of Ontario. First of all, he said they would be lucky to get anything. After the hissing died down, he said they would be getting something, but not very much.

Subsequently, I asked the minister in the House about the percentage increase municipalities could expect. I asked him to give an undertaking to the House at that time that he would provide something above the five per cent or less that many had been suggesting.

While I recognize, because of the program his government has implemented, that municipalities' requirements in terms of funds for salaries and compensation will be less than they would have been otherwise, they have many other commitments they must fulfil. For the last few years they have been cutting many of the services they used to consider essential. Let me point out one example, as opposed to going through several examples, so the Treasurer will see what I am talking about.

There is the pollution abatement equipment. It is now contemplated that municipalities are going to be required to install tertiary treatment to remove phosphates from the sewage as it goes into the various waterways in the province. That is an additional cost to those municipalities, over and above what they might have been able to budget for, and over and above what could have been contemplated in the five per cent or less increase to which the minister has alluded.

If I think of his transfers to boards of education, I would say it would be extremely difficult for boards of education to receive anything less than about an 8.5 per cent increase in the amount of money that would be given to those boards by the province without having to raise taxes substantially at the local level, or without having to cut services even more drastically.

Although we have seen a trend where the percentage of the cost of education assumed by the province on a province-wide basis is down from about 60 per cent to about 51 per cent or less, there are still a number of people on those benches, and many of them in the cabinet, who have faith in the education system and are concerned enough about the importance of education that they would want to see an avoidance of the cutbacks in that area.

If the minister was to implement transfer payments at five per cent or less for both municipalities and boards of education, he is

going to force hardship on the local taxpayer or he is going to force some pretty important services to be cut back.

The minister would be aware that when the Minister of Education (Miss Stephenson) introduced, with the approval of this House, Bill 82 for special education in this province, the great concern of the local boards of education and of all those interested in education was the cost and how that cost would be assumed. The Minister of Education assured us, and she said she had spoken to the Treasurer about this, that there would be sufficient funds available for special education or the implementation of Bill 82.

Yet if we had the kind of transfer payments I feel the Treasurer is talking about—that is, five per cent or less for the boards of education—then I think we are not going to be able to implement the provisions of Bill 82 in any meaningful manner without cutting back in other areas. That is precisely the thing that trustees have feared. That is precisely the thing that teachers have feared. That is precisely the thing that many parents who are interested in the system have feared.

I recognize the minister's own transfer payments from the federal government are not what he would like them to be. I know the demands on his ministry for funds from people at the lower level of government—that is, the municipalities—are great, but I would implore him, particularly in this year of difficulty, and without criticizing him on one hand or the other, to provide more funds to the municipalities and boards of education. Implicit in that is the fact that his deficit is not going to come down. It might even increase marginally.

4:50 p.m.

It is unfair for us to say, on one hand, that we want his deficit brought way down quickly, and, on the other, that we want expenditures continued or increased in certain other areas. I want to be fair to the Treasurer and say I do not think he is going to incur a lot of heavy criticism from almost anybody in Ontario for allowing his deficit to stay where it is, or to creep up a bit, to meet the emergency needs that face us this winter because of unemployment.

I welcome the opportunity to speak about transfer payments, and I do not want to pretend the Treasurer has an easy job in difficult economic times. I am going to say his government has been the author of some of its own problems, but I also want to be fair enough to say

there are federal and international considerations that affect our economy as well.

Therefore, I recognize that he is in a pinch for funds, as far as getting the revenues is concerned, and he is in a pinch as far as trying to meet all the obligations that various ministries want to have met and also the obligations that municipalities and boards of education have to have met. It is essential that he provides the necessary funding for the municipalities so they are not in a position of laying people off or of cutting back on projects that could help to increase employment at a time when we need employment increased.

I would also like to see—and I know he is working somewhat towards this—very close liaison with the municipalities in terms of the kind of job creation projects we are going to have this winter. Like every other member of this House, I am concerned about having these implemented as soon as possible to alleviate the burdens that exist at the local level. We have a lot of people in our part of the province who are now long-term unemployed people. The Treasurer will recognize that at one time when we talked about the Golden Horseshoe we talked about that area from Oshawa right around to Niagara-on-the-Lake. I want to indicate to members of the House that we are no longer the Golden Horseshoe in terms of employment opportunities.

We need the kind of special assistance that senior levels of government have the financial capability to provide. No longer can we say we are going to be the generators of these funds, although naturally a lot of the taxes in this province come from the Golden Horseshoe. Certainly at the Niagara Peninsula end we are experiencing a lot of difficulty. Whether it is in St. Catharines, Welland, Fort Erie, Port Colborne or the rural areas, we are having it tough in the peninsula.

I will touch on the federal industry and labour adjustment program, for instance, which I recognize deals with longer-term chronic unemployment situations. There are many in the peninsula who would like to qualify, as I believe Brantford and certain other areas have, for that kind of funding. I would like to think we could qualify for special provincial funding too.

The member for Scarborough West (Mr. R. F. Johnston) has sent a letter around to municipalities saying it would be a good idea if the province would pay for the welfare costs for anybody who was added to the welfare lists after September 1; in other words, anybody in excess

of the numbers that existed on September 1, 1982. That is certainly an enviable goal. I suspect, from what I have heard from the Treasurer, he is not prepared to meet that obligation from provincial funds.

That is why I have suggested, in the context of wanting to help those areas that are most in need, he might give consideration to the province assuming a greater percentage of the cost of welfare and social services when a municipality hits a threshold level. If it was, Heaven forbid, 14 per cent—if I had said that five years ago people would have said there would be a revolution, because we thought eight per cent or nine per cent was a high unemployment rate then—but let us say the peninsula or Windsor or Sudbury or some other area were to hit 14 or 15 per cent, might you, instead of 30 per cent of the cost of welfare—I think the feds provide 50 and you provide 30—assume 35 per cent and the municipality 15 per cent, or something of that nature?

It gives you the opportunity to say, “We cannot afford a blanket program”—which I know you would want to say in your present circumstances—“but we are prepared to help those municipalities which are hardest hit.” I hope you will give some favourable consideration to that, and to assisting those municipalities in other ways when they hit that kind of threshold.

I will very briefly mention the boards of education, once again, being hard hit in those areas that cannot generate funds, right across the province. I heard the minister talk about competition in his remarks; how other countries have braced themselves for competition and how we have to do so as well. Surely the very best education for as many people as possible within our system is essential so that we can compete.

In my view it is a good investment on the part of the Ontario government to place a lot of funds in training and retraining or in other forms of education which are perhaps less job-oriented but nevertheless are still useful to our citizenry. The minister has the chance to provide that funding. I hope he would not cut back for those two reasons: first, because it is essential for a good educational system; and second, to avoid layoffs, even in that sector, which are going to reflect badly on the Ontario economy.

I guess each of us, if we wanted to make a speech in the House, could go on for a couple of hours on many of the measures we think are

essential, but we are in your estimates and have an agreement to keep things relatively short.

Speaking of short, I think the member for Nickel Belt is anxious to get a few words in. I know his area of the province has been particularly hard hit and has some specific problems that may have to be addressed by the specific measures he and others in the House have mentioned.

I ask the minister to give my suggestion some consideration: that we not treat the Golden Horseshoe, or at least our end of the Golden Horseshoe, as golden any more but as something that is more or less tarnished. We could use some funds from the Treasurer to shine up that image once again.

Hon. F. S. Miller: Mr. Chairman, when you look at Ontario in total, you have to realize there are parts of the province, such as the part I represent, which at the very best of times have seldom known the level of development some of the rest of you think of as being pretty bad in your worst times. That is why your area has been called the Golden Horseshoe. It has seen a good deal of development across the years, a development that many of us envy. Summing up, now that we are in a downturn, those parts of the province that never had it so good are not having it so bad. You see them as tending to weather the storm simply because they never reached the manufacturing peaks of employment in the halcyon days.

It is interesting that Ontario, of which just a year ago everyone in the Canadian scene was making great fun and saying, "Look at how the other provinces are outpacing Ontario", is not looking bad. Provinces that a year ago said, "We would not want to be compared to Ontario and hitch our star to equalization payments," are now saying, "Maybe we could live with a formula that has Ontario in it because Ontario again has weathered the storm."

Look around your home town. How many Alberta plates have you seen reappearing on the streets of St. Catharines? I am seeing them on the streets of Bracebridge.

Mr. Haggerty: I see quite a few by Sutton Place.

Hon. F. S. Miller: Yes. People are coming back to Ontario now, saying, "It is not such a bad place at all." The basic diversification of the Ontario economy is one of its strengths.

We are in one of those rare periods when, for example, both lumber and paper are down at the same time. Even in that industry, usually one

is up and one is down. Once in a while both are up and they have a really top-grade year. This is one of those years when both are down. The lumber side is starting to come back a wee bit, but the pulp and paper side has not yet. I am only saying those things because we have to keep them in perspective.

5 p.m.

Before I go on, I missed an answer to the member for Windsor-Riverside when he was saying something about sales tax and what it has done to Ontario sales. I will just read a little quote here:

"On average, total retail sales in Ontario during the period from May to September outperformed all other provinces except Nova Scotia. Total retail sales in Ontario in 1982," according to the Conference Board of Canada, "are forecast to increase five per cent compared to 4.1 per cent for Quebec, four per cent for British Columbia, 4.1 per cent for Nova Scotia and 3.4 per cent for Alberta."

I put that on the record because people who wished us to take sales tax action tend to imply we have a worse record than the other provinces.

I am going to state a policy which is mine; it may not be my government's, I will find that out later. You talked a lot about the importance of transferring more money, either for education or for municipal purposes, to the municipalities and the school boards. We have been paying about half the cost of education and something less than half the cost of municipal government through the grant system. We pay almost 100 per cent of the cost of health care in the hospitals of the province. Certainly we are the only governmental source of money.

I would argue that governments that spend should be the governments that collect and that should be true for the federal, provincial and municipal levels. We have a province that varies widely in wealth, just as we have a country of greatly varying wealth and tax-paying capacity, and we have seen the province enter into the role of subsidizing, or helping through transfers, the spending on certain kinds of things like education. This is done on the assumption, quite properly, that if there had not been provincial help many young people in Ontario from the less privileged parts of the province would never have had a school board willing to spend at a level comparable to that of the wealthier areas.

We are seeing that raised all over again. It is part of Bill 127, something you do not favour. I do not understand Bill 127 half as well as you do,

but one of the factors there was to see that the whole Metro area had some semblance of equality to it.

As the ceilings have come off educational spending, simply because they were hard to enforce, we have seen a great vying by school boards for spending, and the greater the share of provincial spending the easier it is for them to do that.

My problem is I am kind of like the ham in the sandwich these days. The federal government cuts back on transfers to me for programs it initiates, like health care, and then manages to wash its hands of it while at the same time the demands go up.

Mr. T. P. Reid: As you have done to the municipalities since the so-called Edmonton commitment.

Hon. F. S. Miller: There is a big difference between the municipalities and federal-provincial relations. Municipalities are the creations of the provincial government and the rules are set here. The provinces are governments in their own right, created under our Constitution and we tend to forget that.

Basically, you talked about winter works and said that you hoped some money would be spent on education. I do not know that the figures have ever come out, but of the \$50 million to be spent in the next three months, \$23 million will be spent in the field of education, almost half of it. That will all be on works that are related to improving conditions.

You talked also about the investment in education. I have to agree with you. You know I am an ex-teacher too. I am not a qualified one. As somebody would say, I am not a qualified Minister of Economics—

Mr. T. P. Reid: I understand you had one year's experience 10 times.

Hon. F. S. Miller: Yes. After five years of full-time teaching and probably eight years of part-time teaching at least I am familiar with the other side—from the classroom and from the students' point of view.

Countries that do not invest in education will never make much progress. The question is whether that investment, almost in quotation marks, is being made wisely or whether the asset is being wasted in forms of teaching that do not produce people entering the work force with saleable skills.

I guess the changes made by the Minister of Education a month or so ago were in a direction

that said: "Let us become more practical or let us become more demanding."

Mr. Bradley: It implements the Liberal platform, which I applaud.

Hon. F. S. Miller: In any case, as an old teacher, I would say exactly what you just did. I applaud her for it, and I think most people in Ontario applaud her for it. You can blame governments for varying from that kind of policy back in the 1960s or whenever. The fact is that is what young people and teachers were demanding.

Teachers were saying: "Get off this practical bent. You have lost sight totally of the value of education. Education is there to increase appreciation of the world for the educated person, not to make money, not to earn a living." That was pretty easy to say when there was no end to the rainbow, when there was no end to the growth.

But the moment you are into a problem and people with BAs cannot get jobs or whatever we suddenly start to hear, even from the students themselves, "What right did you have to let me waste my years in university on a course where I had no chance of getting a job?"

You venture the comment, "A few years back, if I tried to say to you, 'Really, you should be considering taking a course of study that might lead to a job,' you would say, 'It's none of your business what I take. That is my right.'"

That is the way it is in a democracy. I am not about to change it. I am simply saying we tend to forget we go through those cycles; and we did. When things were easy, freedom prevailed. Now that they are not so easy, we are seeing some returns to directed, mission-oriented if you want to call it that, education that is truly an investment in this country's future. I have no trouble with that.

It is always going to be one of my tasks, as Treasurer, along with the cabinet, to maintain a fair level of support for education. To the educator it will never be enough; to the taxpayers it is always too much. It is still the same taxpayer who pays it within the province; I think we have to remember that.

We are simply saying the province has perhaps a wider tax base and more inflation-resistant sources of money and so has some obligations in the process to be a partner, particularly when it sets any of the rules of the game, as the feds do with us in health care.

Mr. Laughren: Before I launch into my copious magnus—

Hon. F. S. Miller: Into your what?

Mr. Laughren: Engineers do not understand phrases like that.

Hon. F. S. Miller: If it was a disease I'd know it well.

Mr. Laughren: It is a communicable disease. I wanted to commend the member for St. Catharines (Mr. Bradley) and to wish him well. I am glad to see he has recovered from whatever affliction it was that prevented him from attending and voting on third reading of Bill 179 last week. I am very pleased the member has recovered from that affliction.

Mr. McClellan: It was a spinal condition, I believe.

Mr. Laughren: Yes, it was a spinal condition. I am pleased to learn it was not terminal. I say that in all good cheer and in keeping with the season.

I am always fascinated by the Treasurer's meanderings, but before I get into them may I suggest that he make a commitment that his deputy will get to Chapleau for Christmas this year since he was prevented from getting there for the big celebration this past summer by haranguing and talking at length on the sales tax bill, which we debated back in June and early July.

Mr. McClellan: That sounds like a punishment.

Mr. Laughren: No, it is not a punishment; you have a good time.

In speaking to the Treasurer's estimates, I sometimes criticize him for his projections in his figures, because—

5:10 p.m.

Mr. Haggerty: We missed you that night. Where were you?

Mr. Laughren: What night?

Mr. Bradley: Did you miss that vote on Friday?

Mr. Laughren: No. The Liberal Party is spaced out today. I do not know what is going on.

It has always bothered me that the Treasurer invariably uses figures in his budget that are more optimistic than most of the forecasting organizations, such as the Ontario Economic Council, the Economic Council of Canada or the Conference Board of Canada. Whenever he makes his projections and we criticize him and ask him how he arrived at those figures, he says: "I happen to have more faith and confidence in Ontario than you do, that is where I got those figures."

That is basically what he is saying and he is

invariably proven wrong, whether it is job projections or job creation projections or growth in the provincial product. The Treasurer's figures are invariably too high. I know he thinks it serves him well to be optimistic and to see the world through, if I might use the phrase, rose-tinted glasses. However it is not fair to be phoney in making projections and to mislead people that way, because people do pay some attention to the Treasurer and his projections. I hope he has learned his lesson in the last year or two: that it simply does not pay to do that.

We criticize the Treasurer for being too optimistic, wildly optimistic, but the leading proponent of seeing the world through rose-tinted glasses is the Minister of Northern Affairs (Mr. Bernier). His favourite expression—the most creative expression I have ever heard him use—is, "You guys are full of gloom and doom." That is the beginning and the end of the critique of the Minister of Northern Affairs when we say the Treasurer's figures are not realistic.

I can recall, for example, we talked at great length of the need for an import replacement program in Ontario and this Treasurer pooh-poohed our suggestions over the last four to five years. I can remember us talking at great length about the auto pact and how it needed to be renegotiated and how we were being had by the Big Three. The Treasurer was not moved by our arguments at all, whether we talked about research and development or the high-technology aspect of the jobs that were here as opposed to being in the United States, or of where the new investment came that was put into the auto industry in Ontario. It came from Ontario. It did not come from south of the border.

Now, of course, the Treasurer is finding it a little bit different. He is saying we have to replace all those imports. My goodness, if I heard him correctly today, he made an anti-free-trade speech this afternoon. If I heard him correctly, he said: "No, we have to protect the infant industries; we have to do that." Whenever we have argued with him he took the opposite position. The former Treasurer always used to argue for freer trade. Now suddenly the Treasurer understands we do not live in a world of equals. That seems to be dawning on him, whereas in the past he has always said, "Oh no, don't bother me with that nonsense."

We have talked about diversifying in the Sudbury basin, for example, and about further processing of our minerals. This Treasurer was the Minister of Natural Resources and could have done a great deal to protect Sudbury from

what is happening up there right now. This Treasurer had a lot of output; there was a lot of potential and this Treasurer could have taken a lot of action, whether it was exemptions to the Mining Act or bringing in a mining machinery complex that would actually produce mining machinery.

What is in place in Sudbury now is not going to produce mining machinery, and was never intended to produce mining machinery. The one operation that was supposed to produce mining machinery has been put in mothballs, the operation, I believe, between Inco and Noranda and the federal and provincial governments.

Nothing is happening now. They have decided the economic times are not appropriate to proceed. When will the economic times be appropriate? When mining is booming, and it takes five years to get the plant in operation? Is that when he is saying the economic times will be appropriate? I am not at all impressed. We have had major layoffs and shutdowns in the Sudbury area within the last six months and the response of this government has been a series of make-work projects. If we laid all the make-work projects in the Sudbury basin end to end we would have one big make-work project but nothing that would be of lasting significance to the Sudbury community.

One of the projects scheduled by the Minister of Transportation and Communications (Mr. Snow) was what is known as the northwest bypass. Guess what happened? The Minister of Northern Affairs jumped on his big white horse, rode into town and cancelled the project—or at least put it on hold. He said, “Ah well, you know, we have to reassess our priorities.” In a community like Sudbury he reassesses the priorities on building a bypass.

It could easily have been guaranteed in the awarding of the contract that local labour would be used in the building of that project. For the minister to argue that maybe there are other projects that would be more labour intensive or that would employ more people in the short run is a lot of nonsense. The Minister of Northern Affairs got into trouble two or three years ago when he put the project back a year; now he is putting it on hold again.

Talk about breaking a commitment to a community. Not only did the government not come up with any significant long-term projects but it cancelled the one that was already promised and committed. The Minister of Transportation and Communications was ready to roll

and the Minister of Northern Affairs decided he needed to reassess his priorities. That is the kind of commitment we have seen from this government since the layoffs and shutdowns hit last year.

I do not know what the Treasurer said today. As I say, I think he is against free trade. I think he wants the Treasury bill auction to proceed without any interference by the federal government or the Bank of Canada at all. I think that is what he wants.

Mr. Kennedy: Are you for free trade?

Mr. Laughren: No, this is what the Treasurer said. I am not for free trade.

But the Treasurer is flirting with these ideas as though he is working them out at our expense in his own mind. Does he really believe the Bank of Canada should stay out of the Treasury bill auction on Thursdays or does he not? He will not say. He implies that maybe it should, but he will not deal with the whole question of what happens if the interest rate drops significantly on Thursday. He does not deal with what that does to the value of the Canadian dollar and what it does to the price of imports. It shows he does not even know what he is thinking. If he knew what he was about he would tell us what his position was in that regard. He will not tell us. He does not know.

I think I heard him say today that he is all for foreign investment, that foreign investment is what Ontario needs. Then he set up this specious argument that it is better to have foreign investment than no investment. That is half an argument. What he did not address, of course, is whether we are better to have Canadian investment or foreign investment.

Mr. Kennedy: Take both.

Mr. Laughren: He did not use that. He did not make that one of the alternatives. It was just foreign investment or no investment. That is not the kind of argument we are prepared to buy in the Ontario Legislature. I suppose it goes down well across Ontario in his speaking engagements to Conservative riding associations, but it will not sell here.

It would not be right if I did not explain what we tried to do when the problems hit the Sudbury area. My colleague the member for Sudbury East (Mr. Martel) and I came up with an eight-point program which we thought would stimulate the Sudbury basin in the long term. There would be some short-run benefits, but primarily it would be long-term benefits if the program was implemented.

We divided our proposals into two parts. The first was based on using the resources that are there now and the second on developing new opportunities so we would not be forever dependent on the nickel resource. The first thing we decided was, why not have a nickel institute. It was recommended by this government in its nickel policy report in 1977. It was recommended but never acted upon. Nobody seems to know why but it simply has not been implemented.

Second, more resource upgrading should occur in the Sudbury area. That includes refining. Dealing with the section 104 exemptions that Falconbridge now enjoys, which allow it to ship every blessed ounce of its ore to Norway for refining, do they really think that is right? We think that product should be fabricated beyond the stage it is fabricated now. There was a call for a mini steel mill in that same nickel policy report in 1977 which could have created up to 700 jobs. The government has done absolutely nothing in that regard yet either.

5:20 p.m.

We believe there should be a crown corporation, or even a joint venture corporation with the private sector, to build mining machinery in Sudbury. What do we get? We get a resources machinery development centre that has no intention of ever building one piece of machinery. It is a marketing operation. That is fine; it is hard to say, "You do not need a marketing operation." What we need is an operation that will actually build mining machinery, but it is not coming despite the massive imports. It is fine for the Treasurer to make all his nice noises about replacing imports, but when the opportunity comes for him to do something where there is an obvious need, he is found wanting.

The third area that is still tied to the resource base in Sudbury is the pollution abatement program, particularly in the Inco operations. The smelter needs to be reduced so that we can reduce the sulphur dioxide emissions. What better time to have put in the pollution abatement equipment than during a long shutdown? But, of course, absolutely nothing has happened. It is silly to argue that Inco cannot afford it. Inco could not afford it back in 1975 when they were making \$200 million or \$300 million a year. They will never be able to afford it in their terms; so either the emissions are lowered and enforced by government dictate or it will never be done and it will never happen.

The tax write-off on pollution abatement equipment runs to about 55 per cent; so whatever is spent on pollution abatement equipment

costs the company less than half that. I would be prepared to support a loan to the company to get on with the business of reducing emissions and let them pay us back as time goes on. Nobody is saying they have to find instant cash right now. We know they have a cash-flow problem.

The fourth area under using the nickel resources would be to establish a fertilizer plant in the Sudbury basin to use the sulphur from the emissions, or at least to prevent the sulphur from being emitted and using it with the phosphate deposits up in Cargill township, near Kapuskasing. There are also phosphate deposits up near Chapleau, although I believe they are not big enough to support a major operation; but if the facility were there, certainly those deposits could be used as well.

Those were the areas utilizing the existing resource. Among new opportunities that we thought would have allowed the government to show a real commitment to the community, was one to launch an intensive energy conservation program to create jobs through energy conservation, particularly in the residential area. It would have created a lot of jobs, saved a lot of energy and been very useful during this winter. Do not forget that we made these proposals a couple of months ago, but absolutely nothing has happened in that regard.

Second, we felt there was an enormous opportunity in Sudbury to reduce the loss of agricultural land and the loss of food processing jobs in the Sudbury basin. There is a much greater potential for agriculture and food processing in the Sudbury basin than most people are prepared to admit. There is some very good agricultural land in the basin. The best agricultural land in northern Ontario is class 2; there is no such thing as class 1 agricultural land in the north because of the climatic factor. There is class 2 land in the Sudbury basin; it is very good farm land. We are losing farm land and we are losing food processing jobs in the Sudbury area. There is no need for that. There is an enormous potential there.

Third, there needs to be a health care product import replacement program. The government has already announced a program designed to look into reducing health care product imports, and we are saying that Sudbury should have a major role to play in that. There are about \$800 million worth of imports a year at present, and we think Sudbury could be a major player, but so far absolutely nothing has been done by this government.

Fourth, there should be an institutional import replacement program to manufacture products that are used in many of our government institutions. The Liberal member for Prescott-Russell (Mr. Boudria) last spring made a very good presentation in this chamber; I believe it was during one private members' hour. He demonstrated that a large number of products this government buys from outside this country are actually produced here or could be produced here. The government has taken no action on that either.

Those were some of the things we thought should be done. We sent a copy of our proposals to the various ministers, including this one. We thought this was a very serious proposal, one that should not have frightened anyone off in an ideological sense. We did not even say in the proposal, "One of our demands is that you must nationalize Inco or Falconbridge." We knew they would use that as an argument for ignoring everything else in it; so we deliberately did not put that in it. We said: "These are proposals you should be able to live with. Indeed, many of these proposals, if not most of them, have already been proposed by your own people—experts in the government."

Despite that, this is the response we got from the Premier, who I saw skulking under the gallery a few minutes ago:

"Dear Floyd and Elie:

"This will acknowledge your letter of October 5, and the enclosed copy of your brief 'A Challenge to Sudbury.' The government shares your concern about the situation in Sudbury and is studying proposals and initiatives designed to alleviate the difficulties arising from the current economic climate.

"Thank you for bringing your views to my personal attention.

"Yours sincerely."

That is not a serious response to a serious document, to a serious attempt to do something about the problems in the Sudbury basin. I was quite offended by that kind of response. If the Premier had said the Treasurer would be responding at length or that the Minister of Industry and Trade would be responding in detail, fine; I could have accepted that the Premier did not see that as his particular mandate. But I found it unacceptable and outrageous that not a single minister of the crown responded in a serious way.

Inco itself responded in a very responsible, thoughtful and serious way. They obviously put a lot of thought and effort into the response. I

did not agree with a lot of what they said, but that was not the point either. They regarded the document as serious, they commended us for the thought and work we had put into it and they commented on virtually all the suggestions that affected their operations, and we appreciated that very much. But the government gave us this token response. I think we as members have a right to expect more—and not just us, but the Sudbury community as a whole. We are very unhappy with that.

I mentioned earlier that the Minister of Northern Affairs not only had not done very much but also had actually put a major project on hold.

When we got into the estimates of the Ministry of Industry and Trade, I thought that would be a good place to talk to the minister about some of our suggestions. The minister in his leadoff during the estimates said the following:

"Being competitive also demands that we make better use of our natural resources by adding value to them through upgrading into semi-finished and finished products. Value-added economic growth is essential to long-term wealth creation."

I was sitting there looking at the copy of his statement and listening to him, and I wrote the following words down beside the statement in his opening remarks. I put: "deceptive, misleading, dishonest, cynical." That was my immediate reaction to the Minister of Industry and Trade's comments.

Imagine making a statement like that about the need to upgrade our resources when in Sudbury there have been exemptions to section 104 which requires that minerals be processed in Sudbury. This government provides permanent exemptions to Falconbridge year after year, then the Minister of Industry and Trade comes in and makes a statement like that. Do members blame me for writing down in the margin: "deceptive, misleading, dishonest, cynical"?

5:30 p.m.

I would have had much more respect for the Minister of Industry and Trade if he had stood up and said, "Look, we are not going to do it; we have never done it and we have no intention of doing it," rather than making a statement that misleads people into thinking the government really does have a policy for upgrading resources when there is no such policy at all. For the government to pretend there is, is simply outrageous.

It is not only the Minister of Industry and

Trade and the Treasurer who have given us the back of their hands. The Minister of Labour had a little role to play too. I do not know whether the Treasurer knows it, but a manpower adjustment committee was established. Traditionally, the federal government paid 50 per cent of the cost of this committee; Inco agreed to pay 40 per cent and the province, 10 per cent. The Minister of Labour then backed out and what was going to be a commitment of \$20,000 suddenly became a commitment of \$2,000, or only one per cent of the total budget. That is some commitment to the Sudbury community. I would be interested to know whether the Treasurer is even aware that happened, because to cut back on a manpower adjustment committee is simply outrageous.

I do not want to go on much longer. I like to be short in my speeches. But I want to draw one thing to the Treasurer's attention.

Earlier I talked about using sulphur for the creation of new wealth and to make new products. I picked up the *Globe and Mail* of November 23, 1982, and saw an article headlined "Sulphur Sales Little Known, but Lucrative." The article stated:

"An industry study shows sulphur is the unheralded but lucrative byproduct of western Canada's natural gas production, but supplies could be depleted by the end of the decade. . . About half of the world demand is used in making fertilizer, with the rest going into chemical production, construction materials and petroleum product manufacturing. But western Canadian production has been declining steadily for the past 10 years, forcing marketers to draw on inventory.

"The world sulphur price was stable through most of the century—\$21 (US) a metric ton in 1900 and \$25 in 1970. But by the end of the 1970s, demand had propelled the price to \$110. And it has stayed high despite the recession, because of a disruption in supplies from Poland and the Persian Gulf."

That is an example of the potential out there. But it takes initiative and some kind of entrepreneurial spirit on the part of someone to do something about it. One would think that this government, with its great belief in the entrepreneurial spirit, would see that there is potential there. One would think that they would say, "If the private sector is not going to do it, we will do it."

I have not asked the minister in one single case this afternoon to step in and muscle aside the private sector or to take away anything that

they are doing and to compete against them, fairly or unfairly. I have not asked him to do that once. What I have said is, "There is a vacuum there and he has a responsibility to fill it." He has a responsibility to move in and do something about obvious vacuums in the economy; that is what I am saying. When there is a community like Sudbury with so many gaps, why does the government not move in and do something about it?

I am not asking the government to push anybody aside. There is nobody there to push aside in these suggestions. The Treasurer cannot use the argument, "No, we believe in free enterprise and the private sector knows best." The private sector bloody well does not know best or it would have done it by now. Those are obvious needs in the community and the government is ignoring them.

I suggest to the Treasurer that I am not being unfair in my criticism that nothing substantial in the long-term sense has been done in the Sudbury basin by the government of the community itself. True, the region has established what they call task forces—I believe eight or nine of them—under the direction of the regional chairman, to look into all the different sectors. That is fine. Let them do that. But in the meantime, the Treasurer and his government is using those as an excuse for doing nothing. That is what I find offensive. They are saying: "No, we cannot do anything. Those regional task forces are at work."

The Deputy Minister of Northern Affairs is representing the Ontario government working with those task forces. He is the same deputy minister whose minister put a major project on hold. You know that old expression about putting Colonel Sanders in charge of the chicken coop. The Treasurer should not be allowed to use those well-meaning task forces as an excuse for inaction on the part of the government. That is simply not appropriate. I urge the Treasurer to think about what is going on in that community.

We are not prepared to write off those 4,500 jobs in Sudbury. We do not think there is any need to. We think there are obvious needs in the community that could be met and that the government has an obligation to do something about it. I am not saying that every point in our document *A Challenge to Sudbury* has to be acted on by this government, but I would feel a lot better if I thought the government had treated the document in a serious way, such as the way Inco treated it, for example. We have seen no evidence of that.

For those reasons, I am very disappointed in the response of this government.

Hon. F. S. Miller: Mr. Chairman, the member for Nickel Belt and I have exchanged points of view frequently when he was my critic, and it seems to me he moves with me from ministry to ministry. I thought he did Natural Resources at one time, did he not? He was always there.

Mr. Laughren: Yes.

Hon. F. S. Miller: He and I agreed after all these speeches on only one thing: short speeches are best.

Mr. Laughren: I just made a short one.

Hon. F. S. Miller: He and I both have—

Mr. Haggerty: Something in common.

Hon. F. S. Miller: Both of us have exactly the same attributes that way.

Mr. Boudria: I think both of you are socialists.

Hon. F. S. Miller: Yes, true.

I accept the fact that he is deeply concerned about his problems in the Sudbury basin and that he puts forward his suggestions about state intervention from a firm and unshakeable belief. I can only say that we have been working hard to find some solutions for Sudbury. There is no easy one. I wish it had the same immediate chance of recovery when the economy comes around that Windsor had, but it is not as likely in Sudbury as it is in our manufacturing cities. I am afraid we both share that fear.

I also suggest, funnily enough, that part of the reason for that is that people have practised exactly the beliefs the member espoused; that is, that some companies should produce products, regardless of profit or loss or market conditions, just to maintain employment. He has seen that happen in Cuba. He is seeing that happen in Russian-controlled areas. He knows that is plaguing the market, which is already tremendously depressed: \$1.545 US per pound for nickel against the \$3.02 that it should be.

Mr. Laughren: I do not recall demanding that.

Hon. F. S. Miller: No, I did not say that. I am simply saying that believing in a socialized system, where the state is the owner of a company, and the member's party has officially espoused that, usually requires the state to produce. I heard Mr. Patterson being quoted from Thunder Bay as saying that there should be some kind of guaranteed output of nickel from the Sudbury basin and that Ontario, in some form or other, whether it be shares or

future dividends or whatever, should take some equity in the company to do so.

I can only say that where that is practised, as it is now being done in pulp and paper in the Scandinavian countries and as it is now being done with nickel in Cuba, it results in a total dislocation of the rest of the market forces; the commodity prices system breaks down. The sufferers are those in countries such as ours—and indeed they are not limited to countries such as ours; I went behind the east-west curtain not long ago to Yugoslavia, where their metals industry was in disarray because of the predatory pricing of some of their own partners, and they simply could not justify production in that country.

I cannot give any more specific answers to my friend. I do take his points seriously. We have debated them many times. I wish I had more to add at this point, but I do not.

5:40 p.m.

Mr. Haggerty: Mr. Chairman, I was not going to get into the debate, but the minister suggested something to me about a trip out west with a select committee dealing with the question of whether we should drop the Ontario Municipal Board. I believe we were in Winnipeg at the time, and for some unknown reason the bottom fell out of that committee and we did not meet the people we were supposed to meet out there.

We had an afternoon to kill, so I saw the movie *Boxcar Bertha*, but I thought perhaps the Treasurer did not get the same views or the same consensus from it that I did. He talked about productivity, and I thought that movie, if anything, did hit on productivity. It was the struggle of the unions, the working class, the people who were working on the railroads to get a fair shake from the industry. In other words, they wanted decent wages for the productivity they were giving, for the labour they were providing to the industry.

Hon. F. S. Miller: I don't recall your selling it to me on that basis.

Mr. Haggerty: Oh, I thought it was good. There is no doubt about it, there was quite a bit of violence in it, but it was a good movie. It told the story of the struggle of the working class, the people working for the unions, trying to establish a union so they could get a fair shake from the industry. If we look at the Regina Manifesto of 1935, I suppose we can be thankful today that we have unemployment insurance or, following the example of the uprising at that time we

would probably have the same thing here in Ontario.

The minister talked about productivity and expressed his viewpoint. He spoke about Japan and how they have overcome their problems. I discussed Japan in the House a number of years ago and I noted the co-operation among industry, government and the working people, that they all have a stake in the economy and some say in it. But here in Canada we do not seem to have that co-operation from government, industry and the working people or the unions to have some input on the direction the country should be going.

The Treasurer talked about taxes and the concessions given to the pulp and paper industry in Ontario. The member for St. Catharines raised a valid point that you should be able to provide assistance in different communities under the same terms.

It is rather odd that the Department of Regional Economic Expansion program, for example, came into the Niagara region but it went to only one industry, and that was the Ontario paper industry in Thorold. They received substantial funding and grants to assist them in modernizing their plants so that they increased their productivity with less manpower. Of course, that means that while the government is moving in this direction to encourage new technology and research in this area, it is going to improve productivity.

That brings us to the point of former Treasurer Darcy McKeough as it related to the forecasting of the ministry on job opportunities, the way the economy is going to go and what benefits there are going to be to the persons employed in industry and working for the government. Back in 1972-73 we had a recession, and one way the Treasurer overcame high unemployment at that time was to come up with a figure of 5.6 per cent. He moved the well-established benchmark of three per cent for totally unemployed persons, persons for whom you will find nothing in this society and who will remain on the unemployment rolls year after year.

The Treasurer talked about the technology that is there, the research that is being done and the robots that are going to be used in industry, which will even take a number of skilled jobs. We see it in the automobile industry already, where they are tooling up. That is where Japan has the edge on us today, because they have moved into this area.

The question comes up: what are we going to

do if we go into this area of new technology where machines replace the human element on the assembly line? It means we are going to have to move from perhaps 5.6 per cent to 10 per cent, to say these people are going to be permanently unemployed. That is how it is going to end up if we move into this area. What are we going to do with these masses of people who will never be able to get back into the working field? With new technology and electronic devices coming on to the market today, the jobs will not be there.

This is an area this government and the federal government have failed to look at. I believe unions have brought to the attention of governments that they are going to have to do something to create or guarantee or secure jobs in this area. I suggest the government should be making some economic models to find out, and it should be honest with the people and tell them the jobs are not there.

This morning I attended a meeting with manpower services in Port Colborne along with some mayors, heads of the municipality and some of the regional councillors. The figures that were thrown out to us there through the questions being asked concerned the unemployment rate in the Erie riding, particularly in Port Colborne where Inco shut down. I believe the company may be calling back a number of employees some time in February, but it has been shut down for six or seven months. It is the same thing in the Sudbury basin. Unemployment from October to November increased 13.2 per cent.

Going back a year, since the same period last year, unemployment has increased 120.8 per cent. That is in Port Colborne. I do not know what the true figures are in Fort Erie, but I would say they are just as bad in that area where Horton CBI Ltd. has shut down almost completely. Fleet Industries is just hinging there right now. Even the \$1-million grant that was to be provided to the company to set up 400 new jobs never came about during the last provincial election. I suggest there is a serious problem there.

There is this quick-fix program that the federal government, along with the province, is involved in; that is, the new employment and expansion development program. I call it a quick-fix program, because I do not think anything is really going to be resolved by it. During our discussions this morning, it became clear that municipalities are not even aware of what part they are going play in it. The question

is, where are they going to get the funding without increasing local municipal taxes? They are at the limit of their taxation right now, as is the provincial government.

There is going to have to be more dialogue on this NEED program. What jobs are we looking at? How permanent are they? I think one criterion is that the job has to last a minimum of three months to 12 months. I suggest where the crisis is now, these jobs should be there. There has been enough discussion between the federal and provincial governments since last August or early September on how they were going to move in this area. They are almost pulling the same stunt as is being pulled on the American side. They are talking about it, but that is about all. The jobs are just not materializing. I think it is going to take until April to get these jobs programmed.

On Friday, I attended a sod turning in Ridgeway in the construction of a new senior citizens' building there at a cost of \$1.2 million. It has been six years on the drawing board, trying to get government to move in this area with some assistance. If it had not been for the Lions Club in Ridgeway, it would never have got this far. The sod turning took place on Saturday. The contractor was there. He has the footings in, and he said, "That is as far as we are going to go, because it would cost us too much to continue on the construction in the winter months."

I suggested to him that perhaps he should be looking at the NEED program which might provide some funding. The cost of putting up the plastic windbreaks and adding heat to the project may encourage the contractor to continue for four months instead of waiting until next spring to get on with the job. In that way, there would be 40 or 50 jobs and the spinoff to the suppliers in the area. That certainly would create jobs.

5:50 p.m.

I do not know if this program is going to give any assistance in this area or not, but there are many areas and costs involved in the winter projects that will probably be held up in limbo because of the municipalities being without sufficient funding. I hope I am wrong in my projections or forecasts and that there will be some jobs, but I hesitate to say there will be under the criteria that are set up. I suggest to the Treasurer he should have been on this program long ago, knowing full well he was going to have to come forward with some quick-fix program for unemployment in the area and across Ontario.

I listened to the minister in his response to the

member for Rainy River. He talked about industry and upgrading and modernizing in the industry. One of the problems they found in the United States, and they are in the same fix we are here, is that the Japanese seem to have cornered the market in the automobile industry.

They have also cornered the market in the area of machinery. I visit some of the industries in the riding of Erie. There are number of new computer machines, the numerical-control machines that are computer-programmed for engine lathes and boring mills. There are milling machines and drilling presses, but those machines are not manufactured here in Canada. Some are manufactured in the United States and others are manufactured offshore in Japan and western Europe.

I think one of the faults I can be critical of is the tax rebate that was given to industries in the past. The government would come out with a program and say, "If you buy or purchase such equipment to modernize your plant, that will give you certain tax concessions on that production machinery, such as reducing or removing the sales tax." Assistance was given to them in that area, but that did not bring new jobs.

It did not bring new jobs because when one has plant shutdowns or the recession we are in today, some of that equipment, as I understand it, has been removed from Canada or Ontario and gone back to the United States. In some cases, the machines are even located in Mexico to help improve the automobile industry there.

I am even a little concerned about the recent settlement of the employees with Chrysler. There may be a side effect that will cause some problems here in Ontario in that some of the equipment in the industry will be pulling out of here and going back to the United States and cars will be produced in the United States to get around some difficulties they may have here in Canada in the auto trade pact and with the negotiating difficulties. There should perhaps have been a ministry watchdog in this area to see that this machinery did not leave Ontario. I understand it has.

From my experience working in the paper industry and looking at the new equipment that is being installed today to modernize some of the plants, for the past 20 years that equipment, the new machines, was all manufactured in the United States. I think the coating and colouring machines were produced and manufactured in Holyoke, Massachusetts. They are quite a machine. The coating machines, such as the

gloss coater, were all produced over there and manufactured in the United States.

I do not know what is taking place now with the papermaking machines, but I can only assume some have been purchased offshore in Sweden, Norway and other places. Perhaps they are further advanced in the pulp and paper industry in the area of papermaking machines. I do not know if the Treasurer has done any study in this area as to the machines being built here in Canada. Even parts of them should be built here in Canada.

There has been some discussion about the manufacturing of mining equipment. Perhaps the minister is not aware, but there is an industry in the town of Fort Erie and part of it is in Niagara Falls. They call it Unit Rig and Equipment Co. (Canada) Ltd. They build huge mining equipment for open pit mining and in some cases the huge diesel-electric machines required in the mines and pits. They are made in Fort Erie.

But much of that equipment is exported. I do not think too much of it stays here in Canada. I understand they have a large export and are very successful in that area. So there is an industry that does manufacture heavy mining equipment here. It is Unit Rig in Fort Erie and Niagara Falls. Perhaps my colleague the member for Nickel Belt and some in the ministry are not aware of that. I suggest that is an area we should be looking at.

The Treasurer talked about the matter of the Canadian dollar. Years ago, if the Canadian dollar was lower than the American dollar we would have all kinds of investment over here. The forecasting from that side over there and from the ministry has been wrong, because we have not seen the investment. They have definitely been wrong in the forecasting in this particular area—that it was going to create industry and capital was going to come in. It has not come about, even at 20 per cent. The only way the Americans invest money here is when they come into Fort Erie to buy cheap Canadian gas at 40 cents on the American dollar.

Interjection.

Mr. Haggerty: We have a few moments to go here. Oh, the gas? I do not know if it is finished or not, but it is there.

I look at the minister's estimates, and the budget he introduced last spring with some tax increases that related to income tax in the last two years. There were benefits, and I think the government saw this, there were certain bene-

fits to them through high inflation. They certainly did generate additional revenue.

One area through inflation was higher incomes. One of the problems is we have a cost-of-living allowance formula built into many contracts, even among the civil servants. As long as the inflation rate remained high and the COLA formula was there, that meant higher income and higher taxes generated by the government, so they were not too concerned about the high inflation rate.

They mentioned interest rates. There are certain individuals in our Canadian society who really generated additional income, and in the long run I suppose on the high interest rates people who had savings generated perhaps 18 per cent return on their money, 17 per cent or 15 per cent; in the long run it meant higher taxes for the government when the pink slips came out at the end of the year.

In one sense, they encouraged inflationary practices. They are the ones responsible for it. I do not think it was the working people who were encouraged in this area to keep it that high.

I am concerned about unemployment, in the area of Fort Erie particularly but in other areas in Ontario. I suggest to the minister there is one area where I think we are looking for long-term employment, long years of manpower that is required. I think of the polar gas line, if the minister is listening to me.

I understand through the Ministry of Revenue and the Treasury they have already provided about \$16.5 million in assisting in research in this particular area of bringing the polar gas down from the Arctic islands into Ontario and then perhaps to the east coast. I think this is a good program, if the government would get off its good intentions and move in this area.

I think of the steel mill in Welland, Page-Hersey, that is currently working about four weeks and then is shut down for two weeks. It is a good thing the government has come out with the work sharing program or there would be more people on the unemployment rolls, more than the 500,000 or so in Ontario that are unemployed.

I suggest that if the government wants to get into a good program it should get on with the federal government and construct that pipeline. Just think of the number of jobs that would be created in the steel industry; the number of jobs in Welland producing the 56-inch or 48-inch pipe in that plant down there. Think of the number of man-hours that would be applied to the construction of laying it in its place in the

field from the Arctic islands to down here. Eventually, you will have to get into this area because the federal government, with all the handouts to the oil industry now, is putting it in the wrong area. They found the gas up there. They have to find a way of getting it down here.

If the Treasurer wants to create permanent jobs instead of the quick-fix jobs they are talking about, the government should be applying its

initiative now jointly with the federal government and all the provinces. Eventually, they are going to have to have it. We can be self-sufficient in energy, if he takes this route now.

It being six o'clock, Mr. Chairman, I throw this out to the minister so that he will consider that proposal.

The House recessed at 6 p.m.

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Ontario LEGISLATIVE ASSEMBLY

No. 180

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Monday, December 20, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

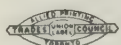
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Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.



LEGISLATURE OF ONTARIO

Monday, December 20, 1982

The House resumed at 8 p.m.

House in committee of supply.

ESTIMATES, MINISTRY OF TREASURY AND ECONOMICS (continued)

The Deputy Chairman: If people would just hold for half a moment, I am sure the minister must be on his way. We are continuing with the estimates of the Ministry of Treasury and Economics.

Mr. Haggerty: Mr. Chairman, I suppose the minister is on his way. His staff will be there, anyway, and they can report to him.

Before the dinner break I was trying to drive home a few points to the Treasurer (Mr. F. S. Miller) on areas where we should be looking for long-term employment. This party has always been in the forefront in bringing about employment strategy programs, and under Dr. Stuart Smith we had an excellent program about three or four years ago. Perhaps this government has been a little behind the times in grasping some of those good suggestions that were put forward to develop an employment program in Ontario for the benefit of Canadians as a whole. As the minister has indicated, if Ontario moves ahead the rest of the economy and the country will move also. But in the last couple of years we have been behind and not looking forward.

My comments previously to the minister were that I thought there was a commitment from this government to develop the Polar Gas project. I thought it would assist in bringing the pipeline down to Ontario, opening up new communities and encouraging the development of northern Ontario in supplying natural gas to the eastern provinces, which would make us reasonably secure in energy that would be of benefit to the industrial sections of Ontario and the eastern provinces.

Some may have noted that Russia now is in the development stage of bringing their natural gas pipeline down from the arctic to western Europe, Germany, France, Italy and places that are short of energy would be the recipients of a good program. So the technology is further advanced in Russia and in Europe than it is in Canada. I suggested to the minister responsible

for this new employment expansion and development program—"NEED"—that the arctic pipeline project would create long-term employment. Perhaps the program should be called new employment and economic development program, which would put some muscle into job creation.

In any event, I pointed out the benefits to the pipe mills in Welland, which would certainly get back in production again, employing some 300 or 400 persons there. A spinoff of that might be employment in the iron mines in Ontario. In Quebec, it would mean greater use of the so-called cheap hydro energy, and in Ontario it would perhaps put more work load on existing Hydro plants in Ontario and would encourage more use of enriched uranium and heavy water in nuclear plants. That is an area where this government has missed the boat, and I think even the federal government has.

The minister will be discussing this problem of employment with his federal counterpart and the first ministers here in February. I suggest to him that one area the government should be moving in is to bring natural gas down to this province. It would create a number of jobs in Ontario. It is estimated the construction jobs involved in bringing the pipeline down from the Arctic islands would last 10 or 12 years. That is an area this government and the federal government should be looking at. It would secure energy self-sufficiency.

I am not too happy with the new employment expansion and development program. I do not think it is going to resolve the problem of long-term employment in Ontario. It is a quick-fix method and by the time it works through the system I think there will still be a number of persons unemployed. The government has failed to come up with an employment strategy program. I suggest the minister should follow the document put out by the Liberal Party in Ontario. It is a good document. At least the government should be looking at it and saying, "Here is an area we have overlooked in providing new jobs."

I mentioned before that the Japanese seem to be capturing the market on automobiles and the production of new machinery. They are copy-

cats. Much of their development is taken from research and development done by our neighbours to the south. I suggest they are having difficulties on the American side with the importation of new machines to apply to their assembly lines. The Congress and the Senate are looking at a measure to penalize the importation of new Japanese technology in machinery and to lead to increased production on the production line.

An area they are talking about is a tax rebate on new machinery to improve productivity in the States. Apparently now many of the industries in the States are buying machines from the Japanese and getting a free ride on this tax rebate that is given to them for the improvement of machinery and production. The indications are they are going to be moving some amendments to the bill that will stop the importation of machinery from Japan and improve the market in building their own machines in the United States.

As close as we are to our neighbours to the south, our biggest trading partner, perhaps we should be looking at better working arrangements with them. Some of the machines that will be produced there could be used to improve our productivity here in Ontario and Canada and perhaps they should be manufactured in Ontario. If the minister wants to try the new machinery tax rebate that has been tried over a number of years, maybe this is the area we should be looking at.

Every time a new machine comes in here it takes away a number of jobs from the assembly line and there is no reason for that. Machines can be manufactured here in Ontario. At one time, in Ontario's industrial age, this province did manufacture much of the machinery required for machine shops; the equipment was of good quality. For some unknown reason we seem to be looking offshore to replace much of that equipment. Following the adoption of the metric system in Canada many of the new machines that are now brought in—lathes, shapers, milling machines, boring mills etc.—are all in metric. Machines manufactured in the States, from which we would get some spinoff, are not in metric. I suggest that this is an area we should be looking at. There could be jobs in the area of manufacturing special machines to improve productivity.

8:10 p.m.

I do not see the Treasurer here yet. Perhaps somebody else will have a few points. But this government made a commitment to the Polar

Gas project and if it lives up to that commitment a number of jobs will be created in Ontario—not for three months, six months or 12 months but for 10 years. And those are the types of jobs we are looking for here.

Mr. T. P. Reid: Mr. Chairman, I really do think it is necessary to have the Treasurer here. We have waited 10 minutes. They are his estimates, and I do not think we should proceed until he is present.

The Acting Chairman (Mr. Hodgson): If the parliamentary assistant, the member for Mississauga North, would—

Mr. Jones: Mr. Chairman, I have been making notes for the Treasurer. He is running a little late but he is on his way and should be here momentarily. If there is anything in particular that either of the critics would like me to deal with or convey to him, I will await their comments, but it is totally unnecessary to suspend any comments the honourable members might have.

Mr. Cooke: Mr. Chairman, as the critic for our party I have just five or six questions I want to put to the Treasurer. We can probably finish these earlier than we thought, but I am not going to ask them of the parliamentary assistant. He would not have the answers; he never does.

The Acting Chairman: That is too bad. I am sure if you have some questions to place, the parliamentary assistant will make notes. You can proceed if you want to talk at this time.

Mr. T. P. Reid: Mr. Chairman, I am not prepared to proceed and I will call a quorum if that is what you want. Is there a quorum, Mr. Chairman?

The Deputy Chairman: We do have a quorum.

Hon. Mr. Gregory: On a point of order, Mr. Chairman: I do apologize to the members for the absence of the Treasurer. We are trying to locate him. On general topics perhaps the parliamentary assistant can help. The member for Windsor-Riverside has indicated he wants to ask direct questions of the Treasurer, and we will get him here as quickly as we can. Perhaps we can carry on with the parliamentary assistant until we are able to locate the Treasurer. I believe he is somewhere between his dinner and here.

Mr. T. P. Reid: Mr. Chairman, the Premier has sat in his spot and told us time after time we cannot ask questions of the parliamentary assistants. We are not now about to begin that practice, because we certainly would not want

to go contrary to a policy laid down by him. So we are not going to proceed, and if necessary we will just make sure there are not 20 members in the House for a quorum.

Here he comes now.

The Deputy Chairman: We are pleased at the sight of the Treasurer. He does not have a red costume on, but he has got a red face.

Mr. T. P. Reid: He has got his grinch costume on tonight.

The Deputy Chairman: Did the member for Windsor-Riverside not have the floor?

Mr. Cooke: I think the rotation is such that it is our turn.

The Deputy Chairman: I will be quick to recognize the member for Rainy River if the opportunity arises.

Mr. Cooke: Mr. Chairman, I have a few questions I can put rather quickly. With regard to the auto tech centre in the Niagara Peninsula I understand the original concept has changed considerably from when it was first announced and promised to all of southwestern Ontario and the peninsula. Would the Treasurer say what exactly are the terms of reference for the auto tech centre now? How are they are different from what was announced in the original Board of Industrial Leadership and Development program, where I understand they were to be more in line with direct research?

Hon. F. S. Miller: Mr. Chairman, I really do not think there is a radical change between the proposed role and the role as defined today in the tech centres. What we have seen is a recognition that the technology centres are not basically research centres but transfer centres for existing technology. That is the case in the Ontario Centre for Automotive Parts Technology. It is also the case in the computer-aided design/computer-aided manufacturing centre. You cannot really define research as easily as you would like.

There will be cases where each centre requires research to be done for it. In that case, they may or may not ask Innovation Development for Employment Advancement Corp. to be involved. Our hope was that they would ask it to become involved because there was a potential for duplication if the IDEA centre, whose basic job is research and risk or venture capital involvement, were not involved. There is also the chance that in each centre, CAD/CAM, robotics, auto parts technology or microelectronics could overlap considerably.

One cannot easily define each of those as a

clear and distinct part of the technology field. As long as you cannot define it the chance for overlap exists. That is why there is a need to have one minister as the co-ordinator, not only for IDEA, which originally was to report to BILD, but for the tech centres which were originally to report to him. We felt that unless that co-ordinating effort existed in one ministry, there could be a potential for overlap. So we have done it that way and I do not think there really has been a change in the concept for the auto parts technology centre.

Mr. Cooke: Can the Treasurer tell us whether there are written terms of reference for all the tech centres, but specifically for the auto parts tech centre, which we have been requesting now since the last election when they were announced? Are those terms of reference in writing and can they can be tabled in the House?

To get back to the original question, it is my understanding from talking to the Automotive Parts Manufacturers' Association that the original concept of the auto parts tech centre has changed considerably. I understand that now it really boils down to more of a referral centre than anything else. That is my question as well as the one about terms of reference. Are they in writing and when will they or are they ever going to be tabled in the Legislature?

Hon. F. S. Miller: Properly the question about the tabling will go to the Minister of Industry and Trade. He is the minister who is handling all six centres plus the IDEA Corp. To the question is there a clear business plan and therefore, a clear definition of role, the answer is yes. It is carefully spelled out in a document and delineates so far as possible the role of the centre. That was a requirement before the funding was confirmed.

Mr. Cooke: We have tried to get the terms of reference from the Minister of Industry and Trade but have been unsuccessful. Perhaps you could put a little fire under him and see if he could table them in the Legislature as has been requested, not only for the auto parts tech centre but the rest.

I would like to ask the Treasurer if he could indicate to us what assumptions his ministry is now working on regarding what the deficit will look like at the end of this fiscal year? What will the growth in the gross provincial product look like over the next 12 months? What will the unemployment rate look like for 1983? What does the inflation rate look like for 1983? Specifically, on the inflation rate, have you now

made any kinds of projections of the effect Bill 179 will have on inflation in Ontario?

8:20 p.m.

Hon. F. S. Miller: I am trying to keep track of all those questions and it is not easy. I could not even write them down fast enough. By the way, I am told the business plan for the Ontario Centre for Automotive Parts Technology has been released so may I ask the member to double check that?

Mr. Cooke: I will. It had not been up to a week and a half or two weeks ago.

Hon. F. S. Miller: Okay. My deficit as of right now is aiming at somewhere around \$2.6 billion in the current year. That is a change from roughly \$2.3 billion to begin the year. The last time I saw our projection for total spending it was on target and the change in the deficit was entirely due to drops in revenue. That is about a 15 per cent change. It compares to a 350 per cent change at the federal level and about 200 per cent in our western provinces. I do not mean that is good; I just mean relatively it is not bad.

The unemployment level for the projected year will be subject to revision as I approach budget time so, when I give the member a figure now, he has to realize it is a current figure and not necessarily a future figure. It is running at about 10.7 per cent.

The growth rate he asked me about is somewhere between 1.5 and three per cent, depending on one's assessment of the vitality of the United States economy. Most people come in close to two per cent for Canada.

What other questions did I miss?

Mr. Cooke: I wondered if the minister had assessed what effect Bill 179 will have on the inflation rate and what his projections for inflation were.

Hon. F. S. Miller: I am a little foggy on the projection for inflation but I believe the 1983 projection is in the range of seven to eight per cent. My economists are saying I am right. Considering we have been in double digit this year, we are down between 20 and 25 per cent in the future projected year.

We could argue all night about how much of that is due to Bill 179. I would say the bill had a direct impact on municipal governments, boards of education and the provincial government. Its effect is not all in one fiscal year; it is in three. Its historic value may be in showing that the private sector and the public sector were sharing a set of circumstances rather than the private sector facing it alone.

Mr. Cooke: The minister is right. We will never agree on what effect Bill 179 will have except that the projection for inflation was about the same figure. In the last four months, if I am correct, it is running a little lower than this projection. It is questionable whether Bill 179 has had or will have any significant effect. Something he could probably indicate much more clearly is what effect Bill 179 has had on his projected deficit for fiscal 1982-83.

Hon. F. S. Miller: I gave figures at the beginning of the discussions on Bill 179 in September. I used the figure of \$840 million as the sum total of all the savings of Bill 179. I hasten to say that was my figure; it was not necessarily a staff figure. I was asked a question in question period and I answered it as honestly as I could at the time.

I think I qualified it that day by saying one had to assume what the level of settlements would have been in the absence of Bill 179. One then had to say what they were after the bill, take the difference and divide it into the fiscal years as it applied to specific contracts.

I took a total number of dollars, not any one fiscal year's saving because I could not. One had to allow for the fact that some contracts such as the teachers' would not enter their five per cent year until September 1, 1983. Others would be quickly entering that year. One municipality would have it quickly and one would have it late; some members of government would have it quickly and some would have it late. I took the aggregate total rather than any one fiscal year's total.

Mr. Cooke: But it is safe to say your \$2.6 billion deficit would probably have been \$2.8 billion or \$2.9 billion had it not been for Bill 179. There is a projection. There is not just a projection, there is a very accurate figure you can come out with as to exactly how much money has been saved by the province in the direct contracts you signed and then ripped up through Bill 179. Is there any kind of calculation on the savings to the provincial government from those contracts that have been destroyed?

Hon. F. S. Miller: I cannot tell you the specific intervals in which the savings are effected. I said the other day that 722 contracts were expiring December 31, and they were almost all municipal. At this point I really cannot say how much of it is in this fiscal year, the next or even the third fiscal year. I can only talk in aggregates and say that was not the basic reason for Bill 179.

Many people have tried to say Bill 179 was put in simply to prevent the deficit from going up. That was not the case at all. It never even entered the discussion we had in cabinet. It was simply a question of what could the public sector do to show some element of concern and sharing with the private sector, which was being buffeted by all kinds of economic storms at that point.

Mr. Cooke: I suppose we will never agree either on whether the deficit and the effects on the deficit as a result of Bill 179 ever entered into your discussions, whether they be at the cabinet or the caucus level. We have heard your caucus members go around the province and say one of the main reasons for Bill 179 had nothing to do with economics, it had to do with your deficit. Those statements have been made.

Hon. Miss Stephenson: Where and by whom?

Mr. Cooke: I can mention some caucus members. My colleague the member for Port Arthur (Mr. Foulds) indicated the statement has been made in Thunder Bay. I know the statement was made in the committee on Bill 179 about the effects on the deficit.

In any case, the final question I have is: In your May budget, a major expenditure was the \$250 million tax holiday for small incorporated businesses. I am sure your ministry has done a projection, since a \$250 million expenditure would not be proceeded with without some kind of an evaluation as to how effective that tax expenditure has been and how many jobs have been created. You projected 10,000 new jobs would be created. Has there been any kind of assessment as to how many jobs have been created under that tax expenditure?

Hon. F. S. Miller: If there has been I do not have it. As the minister who proudly brought that in, I have to say the number of jobs being created was not my reason for bringing it in. It was an acceptable justification. It gets back to the kind of issue we discussed before supper which was: How do we buy back Canada? How do we encourage people in business to invest here? How do we help the creation of capital in our country?

My real belief is that corporate income tax at any level is counterproductive if one looks to the long-term future of the ownership of the assets of a country by its citizens. It is counterproductive in terms of decisions relating to productivity improvements that always have to be looked at on an after-tax basis instead of a before-tax basis. Therefore, if those two former

facts are right it is counterproductive in terms of job security for the people you and I are concerned about.

My reasons then were that small and big business in the minds of Canadians are totally different entities. For some reason the profits made by big business are seen to be evil and those made by small business are seen to be good.

As a politician I would like to change people's minds but I cannot. I have to deal with the way they are. It happens that most Canadians, and I think even the member, applauded the release from taxation of the small corporations. He says no. Fair enough. I would say many a small businessman this year was able to retire his debt at the bank, was able to buy a small piece of equipment, was able to keep an employee on staff or was able to expand, because I did not take money from him before he had money surplus to his immediate business needs. I have to say I do not know any better way in society to keep people employed than to keep employers solvent.

8:30 p.m.

Mr. Cooke: Mr. Chairman, I am looking for the section in the budget—I do not have it at my fingertips—in which the Treasurer introduced this. In the budget, and certainly in his post-budget press conference, one of the main rationales he used for the \$250-million tax expenditure was the creation of 10,000 jobs in Ontario's economy. He used that in question period. He used it in—

Hon. F. S. Miller: I was given that figure.

Mr. Cooke: He might have been given that figure, but he used a figure of 10,000 for job creation—

Hon. F. S. Miller: The small business group gave me a figure of 25,000.

Mr. Cooke: Whatever the figure was, the minister used 10,000. Mr. Bulloch used 25,000. He has also used other incredible figures that the minister has challenged when they have not been to his advantage. The point was that 10,000 jobs were supposed to be created.

The point I made earlier in my opening statement was that it seems to me there should be an evaluation of the tax expenditure to determine whether the goal that was set has been achieved. The minister now is telling us that a few jobs may have been saved but that he has no idea whether the stated goal of creating 10,000 jobs was achieved.

At the same time, from January to October of

this year we have had 3,025 business bankruptcies, many of which I believe were small businesses. We have probably lost in the neighbourhood of 15,000 to 20,000 jobs through those business bankruptcies. That is probably a conservative figure. Our argument at the time was that the \$250-million tax expenditure would have been better used keeping and saving the jobs for those small businesses that were about to go bankrupt, primarily because of interest rate costs. We called for a small business interest assistance program.

The minister cannot justify or prove to me that the rationale in the Legislature for bringing in that tax expenditure has proved to be a good rationale and has achieved its goal. Does he plan on doing any kind of evaluation or any kind of a study to find out whether any jobs have been created or whether just a few jobs have been saved? I agree that saving jobs in today's economy is very important, but he did claim the tax expenditure would create 10,000 jobs.

Hon. F. S. Miller: Mr. Chairman, let me just read the section in my budget. I answered in question period, and I remember quite well answering, by saying, if I allowed for the fact that about \$25,000 was needed in small business to create a job, I hoped about 10,000 jobs would be created. I then heard Mr. Bulloch saying I was underestimating it by about 15,000.

Here is what I said: "In order to improve the confidence of small business people, to give them the incentive, desire and resources to weather the economic storm, to improve productivity through investment and, most important, to continue to preserve and create jobs"—I stress "to preserve and create jobs"—"I am proposing to remove the corporate income tax on small businesses in Ontario."

I was asked then what my reasons were, and let me tell the member what my reasons were, and I hope he will appreciate that, whether I am right or wrong, my reasons for doing it are the same reasons I hope he would have if he were in power. I believe that is right. I do not know that is right. It is fundamental to my approach to government and the things I believe work that I did it. If he were in power, he would do those things that he believes are right and that he believes would help. It happens that we have different philosophies. It happens that I am in power and he is not. I did the things I believe in.

Mr. Cooke: Mr. Chairman, the only point I am making is that when a budget introduces a major tax expenditure, such as \$250 million to small business, it does not seem to me to be an

unreasonable request, if government operates in a sound business manner, that it would evaluate that expenditure. That is a lot of money, and they should evaluate to see whether the goals they set for that tax expenditure have been met.

I read the section in the budget just now. I remember from the briefing we got and from question period that jobs were to be created. I do not know whether the minister is going to continue this tax holiday in his next budget, but it seems to me that before he makes that decision he should present in his budget, as a budget paper or whatever, either the rationale for eliminating the tax holiday or the rationale for continuing it.

Hon. F. S. Miller: Mr. Chairman, in a year when we saw as many thousands of jobs disappear from the economy as we have seen or, in fact, in a year when we saw a number of jobs go up by 100,000 in the economy, one can set out in advance to prove whatever one wants to.

In the fundamental, final analysis, politicians do that which they believe in; they cannot necessarily quantify or substantiate. I can go back to my staff and ask for all the studies in the world. If somebody wanted to prove me right, he would, and you could hire somebody to prove me wrong. That does not shake my belief, because I have certain beliefs that are unshakeable and I am not about to change them.

Mr. T. P. Reid: Mr. Chairman, this is one of the weirdest economic discussions I have ever heard. Maybe we could get Mackenzie King's crystal ball. It might be just as helpful.

I had not intended to ask this question because of the time, but since the member for Windsor-Riverside (Mr. Cooke) has raised the question and the Treasurer's answer has been, "Well, I did what I bloody well wanted to do or believed in"—which seems to be about as far as our economic policy goes in this province—I just wonder what we are paying all the people for in the economic analysis and planning component of the ministry under the first vote and in the other programs, Treasury, economic policy and analysis and planning.

I remember being quite shocked when I asked the minister to table the studies his people had done for him on the effect of the retail sales tax, on the \$250-million tax holiday and so on, to find that all these very bright people who are sitting around in his ministry drawing pretty reasonable salaries had not, presumably at the Treasurer's fiat, provided any of these background papers.

I find it incredible that the Treasurer should stand in his spot and say, "That doesn't really matter, because I did what I believe in and the economic analysis"—which wasn't done apparently—"wouldn't have meant anything to me, anyway." That sounds like left-wing economics, not the kind of responsible approach that the Treasurer has been noted for in bygone days.

Having said that, I have two questions I want to ask the Treasurer, because obviously there have been studies since we have seen the papers.

Where is the Treasurer at today in his suggestion of a payroll tax in regard to the Ontario hospital insurance plan? Everybody under the gallery is looking at the ceiling there.

Also, has he given any more thought—if that is the proper word—rather than rattling his sabres, about a provincial income tax?

Hon. F. S. Miller: Mr. Chairman, to answer the latter question first: I deferred that question to the Ontario Economic Council. I believe it is preparing a paper which I should have very shortly, well in advance of budget preparation.

To answer the other question on the payroll tax as opposed to OHIP premiums, I guess I would say I am remarkably unimpressed at the lack of response.

I listened to CFRB this morning, which happens to be my major economic source of information. Hansard had better add "he said with a smile," or I am in trouble.

Mr. Foulds: There are no descriptive phrases or stage directions in Hansard.

Hon. F. S. Miller: In any case, my staff have all just taken the fifth amendment and gone home after that.

8:40 p.m.

I heard CFRB discussing this very matter this morning. I assume the baby must have awakened early and the member did too.

Mr. T. P. Reid: No.

Hon. F. S. Miller: No, the baby did not wake up early?

Mr. T. P. Reid: No, I don't get my economic information from CFRB.

Hon. Miss Stephenson: Where do you get yours?

Mr. T. P. Reid: Out of the learned journals.

Hon. Miss Stephenson: I can imagine.

Hon. F. S. Miller: He consults with Mackenzie King, via his dog.

In any case, the fact remains that we have

remarkably little response that I know of and if there has been more I have not heard about it. I, for one, am decrying the lack of response. I would dearly love some more before the time comes for a decision.

Mr. Martel: Mr. Chairman, I want to speak to the Treasurer about Sudbury and district and the fact that despite some 15 years of protestation by this party, there has been no attempt to diversify the economy. That area now is suffering the most massive unemployment in this country.

It is strange that the richest part of Ontario, the part of this province that has created so much wealth, also has the highest unemployment, with 28,000 or 29,000 people currently drawing unemployment insurance commission benefits.

It is fitting that Liberals and Tories, who for years at the federal and provincial levels allowed that situation to continue, simply throw their hands up in despair and say: "I am sorry. There is nothing we can do in the Sudbury basin." The federal Liberals have done nothing, and I will come to them in a moment.

The area has created massive wealth, which has been beneficial to the rest of this province. We have seen all that wealth leave the Sudbury area. We have seen nothing put back in its place. I suggest to the Treasurer that we had a warning of this in 1978. The government, because there was enough opposition, was forced to establish a select committee. That select committee made a number of recommendations, not one of which has been adopted—from stockpiling on the short term to diversification such as mining equipment.

The government sat on its hands and did not do a thing. I should not say that. The government put a little money into 2001. We heard the Minister of Northern Affairs (Mr. Bernier), as he wore his white sweater the other day, gloat about the fact that he created 19 jobs out of that. I might suggest that when 2001 was in trouble, it was some of us who forced them to get a lawyer, because they did not want to, in order to clear it up.

I see the Treasurer leaving. Obviously he is not too interested in the Sudbury basin.

Although there are 28,000 unemployed people, we cannot get a change. The Minister of Natural Resources (Mr. Pope) is here, of course. When we talk about stockpiling, the answer is "Nyet"—"nyet" from the provincial government, "nyet" from the federal government. Yet I recall when the Prime Minister of this country was

none other than Lester B. Pearson. He represented Elliot Lake and when they were in serious trouble, Lester B. was able to convince them that they should stockpile in the short run because of the cost to Elliot Lake if nearly everyone were on unemployment insurance.

Now, when the unions approach the Minister of Natural Resources for Ontario with Falconbridge Nickel in tow and suggest that for \$30 million they could employ everyone for a year, we get a "nyet" answer, "no". "But there is \$4.5 million to \$6 million in unemployment insurance and welfare benefits per week coming into Sudbury. There are all kinds of small businesses going down the tube, and we sit around with one finger in our ear and our brain in neutral. Pearson was able to stockpile and they were able to make money from it. Over the years we have stockpiled gold and they have made money out of it.

Of course, the honourable cabinet minister in Ottawa says: "Oh, we cannot do that. That would be a special endeavour for the Sudbury area; how could we do it for anyone else?" The same day she was saying that, the federal government announced a policy of \$30 million in subsidies to build a ferry that would keep people in one of the ports in Nova Scotia employed. Yet they cannot stockpile nickel. One takes it out of the ground and refines it. It does not rust, it does not melt, it does not rot and it is the only short-term solution.

It is six months since the massive layoffs began. This government, outside of a few make-work projects, has done nothing. We have had three emergency debates here; every time all it has done is say, "Tom Davies is looking after it." They have neutralized the attack from Sudbury by saying, "Tom Davies is looking after it."

We are near the end of December and it has not done a thing. This government was prepared to sign an agreement to bail out Massey-Ferguson that could cost us \$78 million. Why does it not stockpile for a year at Inco and Falconbridge? We are going to have to face the reality sooner or later that Russia and France both subsidize their nickel.

Mr. Shymko: He wants to nationalize Massey-Ferguson.

Mr. Martel: Where did that clown come from?

An hon. member: The KGB sent him.

Mr. Martel: Who let him loose? I think he is a double agent.

Mr. Foulds: He is an agent provocateur, no doubt about it.

Mr. Martel: Yes. He should go and sit somewhere so I can talk to the Treasurer and the Minister of Natural Resources, because he is not contributing a thing to this debate. I am speaking on behalf of 29,000 people who are unemployed.

Mr. Bradley: He is giving the position of the member for Sudbury (Mr. Gordon).

Mr. Martel: Is that right? He wanted to nationalize it. The member for Sudbury wants to nationalize both Falconbridge and Inco in one fell swoop.

Let me pick up from where I left off, if I can. In six months, we have done nothing. What is wrong with stockpiling? As I said, in Russia and in France, where it is state-owned or at least there is some intervention, they are dumping in Europe, according to the federal minister and, I suspect, my friend from the north. They get into the European Economic Community somehow. Every time I suggest to the Minister of Natural Resources that we should eliminate that section of the Mining Act—I guess it is section 104—which says one can refine outside of—

Hon. F. S. Miller: Section 113.

Mr. Martel: Section 113? No, it has been changed. It is section 104, I believe. It says one has to refine here, contrary to what the Minister of Natural Resources said when we were talking about Cargill township. He got up and said stoutly: "We must refine near the source. We cannot take the phosphates out of Cargill and combine them with the sulphuric acid from Sudbury."

That is what the minister said. He said, "We have to produce at source." When I say to him, "Let us not allow section 104 for Inco and Falconbridge," he nearly goes out of his tree. I mean, he just goes crazy and says it cannot be done.

But it was none other than the minister, when we suggested combining the phosphates from Cargill township with the sulphuric acid from Sudbury to produce fertilizer, who said: "No, that is wrong. This minister and this government are committed to the policy of producing at source."

8:50 p.m.

When is the Treasurer going to have enough courage in respect to Falconbridge—which has yet to refine a pound of nickel in Canada except during the war when it refined a little at Copper Cliff—to follow his own advisers' recommenda-

tions, which said there is excess refining capacity in Canada and that we should be doing it in Canada?

That would create 1,000 jobs in Sudbury. That is what we are doing in Norway: we are creating at least 1,000 jobs in Norway refining the nickel from Falconbridge. The Minister of Natural Resources jumps up and says, "Ah, but the British government would not like it." He quoted Margaret Thatcher when he responded to it. So what? I do not give a damn whether or not the British government likes it. I am arguing for jobs for the people I represent, using the resources that are here.

The minister says we could not get into the European Economic Community. I ask the minister to tell me how the Soviets do it? How did they get into the European Economic Community? Following what the Soviets do, why could not Falconbridge do the same? Why could they not crack the European Economic Community?

I realize that there is a subsidy and that both France and the Soviet Union are underselling Inco right now. Are we better off paying \$25 million to \$30 million a month in unemployment insurance benefits and welfare, or would we be better off employing those people and keeping the small businesses intact in Sudbury, many of which are going out of business this very day?

There has been nothing, not a word, not a program except the program that has been run by us now, I guess, on at least six different occasions. The Ministry of Industry and Trade (Mr. Walker) went up to Sudbury last week with a great fanfare. The Minister of Health (Mr. Grossman) had been there before him, the member for Sudbury before that, and none other than the Premier (Mr. Davis) during the last election.

They said: "We are going to pump in \$19 million or \$20 million. We are going to create a centre for research for mining and forestry equipment." That is what the people of Sudbury thought, except it is really nothing but a showcase, a public relations job. That is really what it is going to be.

So on the whole front this government could respond to—in terms of stockpiling in the short run to get 14,000 or 15,000 of the unemployed back to work, in terms of secondary industry or in terms of what happens to one-industry towns—there has been nothing.

The Treasurer, in his former incarnation as Minister of Natural Resources, was the chairman of a committee to study one-industry

towns. My friend the member for Rainy River (Mr. T. P. Reid) knows as well as I do that the special cabinet committee formed to look into one-industry towns did nothing. I do not think the committee ever met.

That committee was created at the height of the friction that came after 1978 and 1979, when we felt the first effects of massive unemployment. But there was no recommendation. The minister moved from Natural Resources into the Treasury portfolio, and he is doing about as much for Sudbury and area as the special committee he chaired did in 1979 and 1980, which was nothing.

What have we got? 19-job Gordon recycling a project that we are to spend \$19 million over the next five years to build a building—

Hon. Miss Stephenson: I wonder why we have not thought about recycling you.

Mr. Martel: It is because they cannot get rid of me. They have tried. I say to the Minister of Education, there are 29,000 people unemployed. In the months of September and October alone, the separate school lost 95 children.

Hon. Miss Stephenson: Because they moved.

Mr. Martel: They had to, because there are no jobs. That is what I am talking about.

I ask the Treasurer, when I eventually sit down, to tell me what his government has done in terms of diversifying the economy? I do not want to hear about Tom Davies's committee. I want to know what the government is going to do. My friend the member for Nickel Belt (Mr. Laughren) and I put together a document with at least some proposals. One of them was on Cargill township.

It was interesting that when the Minister of Natural Resources screamed about processing near source, I sent across to him and to the member for Cochrane North (Mr. Piché) a statement by Mr. Topp from Sherritt Gordon, who says—and I suggest the Treasurer might listen to this—the company cannot get a guaranteed supply of sulphuric acid. That is what Sherritt Gordon says.

Everyone knows that Inco produces at only two thirds of its capacity, because Inco uses only two of its three machines to produce sulphuric acid and dumps the rest into the atmosphere. One might suggest to the government that they talk to Mr. Topp and tell him there is a permanent and guaranteed supply; that Sherritt Gordon does not have to worry about an adequate supply of sulphuric acid. All we have to do is ask Inco to use the third

machine. But Inco over the years, and Canadian Industries Ltd. before it, refused to use the third machine, because they would glut the market with sulphuric acid.

The other interesting thing Topp said, though, was that they want to send some of the phosphate out of the province unprocessed. That is what he said in an interview in Northern Ontario Business.

When the Minister of Natural Resources plays his little game of saying processing has to be done near source, I think that if we could bring those two commodities together in northern Ontario we would have a product produced in northern Ontario that would create jobs. Whether more sulphuric acid went to Kapuskasing or whether the phosphate was extracted, refined and then brought to Sudbury to be put together with sulphuric acid to make fertilizer, no matter which way it went, one way or the other it would be beneficial to northern Ontario.

There was not a word, and when we raised these matters in the special debates, the Minister of Natural Resources did not attempt to respond. He just did a total rant.

We also picked out some of the things the government of Ontario picked up as its policy; for example, the utilization or the purchase or production of more mining equipment in Ontario and in northern Ontario. I listened to a speech by the Minister of Industry and Trade (Mr. Walker) this spring in which he said that Ontario's deficit in mining equipment this year is \$169 million. Is the minister telling me that we should not be manufacturing mining equipment?

I know the fight that is going on between the federal government and the provincial government with respect to Jarvis Clark, but for about \$4 million of investment, if the feds are not prepared to do it, we could create 225 jobs in the Sudbury basin. A year ago, when Duncan Allan was negotiating the possibility of this project with Inco and Noranda, this government was prepared to go it alone if the feds would not get involved. This government and Duncan Allan boasted, "The Ontario government will get into mining equipment on its own, whether the federal government is prepared to or not, and it will help the three partners, Noranda, Jarvis Clark and Inco, to establish that manufacturing facility in Sudbury, which will create 225 jobs."

That was a year ago. Now the present minister says, "We don't think we should go it alone, nor should we tip our hand as to whether we are going to go it alone," and in the meantime we have 29,000 people unemployed in Sudbury.

This government also talks about medical supplies and the fact that we should be manufacturing them here and purchasing from Canadians.

In Sudbury, if we were refining the precious metals and using platinum, as I understand some are—and the Minister of Education (Miss Stephenson) can tell better than I what the instruments are made of—nonetheless, we have the precious metals that would allow us to develop the capacity to produce medical equipment. When we ask the government if they are prepared to move, all they say is, "We think we should be buying more equipment in Canada." On the CBC not more than a week ago I heard this government saying we have to purchase more that is produced in Canada.

9 p.m.

The material is there with which to produce some of that and my colleague the member for Nickel Belt (Mr. Laughren) and I put it on our list of suggestions to the government. Six months later nothing had happened except the Minister of Industry and Trade making a big announcement—it was the sixth time in this House—as he flew to Sudbury to launch this great program that is going to create 19 jobs.

For \$4 million we could have established or assisted in the establishment of a mining equipment company that would have created 225 jobs, according to the discussions I have had with Inco and according to the discussions I have had with Mr. Clark, who, when he was flying from Texas up to Sudbury, stopped in to see me here. For \$4 million we could have 225 jobs, but we will blow our horn about this \$19-million undertaking where you have to build a building and it is going to create 19 jobs over the next five years. For \$4 million we could have started to diversify the Sudbury economy in a meaningful way.

This government should say to the federal government: "We don't give a damn if you are going to put your \$2 million in. We are going it alone if necessary, because it is going to create 225 jobs." Again no response; nothing. And to every letter I write to the minister responsible he responds: "I cannot tip my hand. If I tell them I am going to put the \$4 million in, then the federal government will back out."

I do not care if the federal government backs out. If we could create 225 jobs with a \$4 million investment, what the hell are we waiting for? I say to the Minister of Natural Resources that I do not care any longer about section 104. He is the minister. He said: "We refine near source.

That is this government's policy." Why does he not want to come down hard on Falconbridge and say, "No more; you are going to start to refine some of that nickel here"?"

Don't give us all the poppycock about refining it in Norway and "We cannot get into the European common market." The Russians are getting in. They have got to. We argued against that when the exemption was further extended. The minister was on the select committee, I believe.

Mr. Laughren: We thought there was hope for you, Alan.

Mr. Martel: But there is none. There is just nothing. They will not stockpile; they will not insist on refining in this country. Their own studies, for God's sake, indicate that there should be a refining capacity for precious metals in this country. What do we do? We send all the precious metals out of the Sudbury basin to be refined elsewhere and we wonder why we do not have any jobs in the Sudbury basin.

I look under the gallery and see my friend Peter Honey sitting there, who did the original report, sometimes termed the Honey report, which led to the establishment of the select committee looking into economic nationalism. We had 21 reports from the select committee and the government has not acted on any of it. None of it. Oh yes, I think the Premier went further than the select committee was prepared to go. When the committee said 20 per cent of the board of directors had to be Canadian, the Premier came in and said, "We will make it 50." We had difficulty getting the Conservative members to insist on 50. We got 20. The Premier scooped them; he came in with 50.

Nonetheless, of the 21 reports that were presented by that select committee this government has not responded to any in terms of the resource sector. They have not responded to any in terms of any other sector. We studied everything from soup to nuts. Maybe it is because of what one of the former Treasurers said. In a study some years ago, Darcy McKeough said in a report to this Legislature, "It will be 20 years before we even start to get secondary industry in northern Ontario." That is what the Duke said, and maybe he was right. The people over there think they can live on the wish that somebody will go to the north and establish secondary industry there.

There have been areas such as Timmins where we have extracted the resources, and no one has bothered to go there to manufacture the resources from the Timmins basin. The only

thing that saved Timmins was the Kidd Copper discovery. If it had not been for that mine, Timmins would be a large ghost town. I am sure the minister agrees. Now Sudbury is faced with the same problems. What does the government do? It waves its wishing wand and wishes we could get some secondary industry. It will not take the initiative to try to foster the orderly development or the utilization of those resources.

I guess the most bitter pill for the Tories to swallow was the report prepared by the chamber of commerce in Sudbury three or four years ago, called *A Profile in Failure*. It was responding to yet another study document by the government of Ontario. Let me just paraphrase one of the paragraphs. It said, "The southern establishment is totally devoid of any concept of the north." It ended up by saying the best thing we could do with the northeastern Ontario regional strategy report would be to file it away and let it gather dust in some receptacle. That is what the future holds.

I had hope for the new Minister of Natural Resources. He seemed to be gung-ho on getting rid of exemptions, diversifying and bringing secondary industry to the north. Obviously either he has given in under the pressure or he has lost the fight. He has not even been able to get a food terminal in Timmins yet, despite having promised that in 1977. The only terminal he has been able to get there is a liquor terminal.

What does the Treasurer intend to do? Can he not consider the possibility of some stockpiling? The Treasurer should talk to his colleague the Minister of Natural Resources, because even the mining companies are saying in the short run the solution lies in stockpiling. Then we can get our people back to work, the small businesses will not go down the tube, and we can look seriously at an orderly economic development utilizing the resources that are extracted from the north.

The government's wishing wand is not going to entice secondary industry to the north. There will have to be some government involvement. I am not talking about ownership, but about government involvement. I challenge the Treasurer to say tonight that this government is prepared to go it alone on the mining equipment. For \$4 million it could get at least 12 times the number of jobs as that silly research centre will provide. It is not a research centre at all. It is just a place for demonstrating and showing off mining and other equipment.

The word is the minister is going to fund some research development. I want to know how

much research development he is going to fund when he pays a staff of 19 and builds a building over a five-year period. What money is left for research? He might get more serious and give \$4 million to Clark, who has been successful with two other companies, one in Canada and one in the United States. He would be far more successful in funding him to the tune of \$4 million, guaranteeing it now so that we could get on with ending the massive unemployment.

In concluding, I might just say that if you went along with forcing them to refine here, not only would you have the people in the Sudbury basin who are employed in mining working, but you would have people in the construction industry employed because there are at least 5,000 of those men unemployed. We need some construction. It might be a new refinery for Falconbridge, and certainly Inco needs a new smelter. If we had production of mining equipment, we might get some people in the construction industry back earning rather than on unemployment insurance, which is where none want to be.

9:10 p.m.

The Deputy Chairman: I thank the member. The member for Prescott-Russell.

Mr. Martel: Is he not going to respond? Is that too much to expect?

Hon. F. S. Miller: No, that's not too much to expect. Mr. Chairman, I have been trying to respond after each speaker tonight.

I appreciate the problems of Sudbury. There is no city in the province with graver problems. That is understood by this government. The assumption that we are not concerned does not ring true at all. The fact that 19 or 29 jobs are being created in a resource centre does not mean that is the sum total of our interest.

I had hoped you would not think it was not important to create that centre or we should not be starting to go in that direction. I would hope you understand that we have not given up our attempts to get a mining machinery company going with Noranda and Inco. You also have to understand that when those companies are fighting for survival, it is very difficult to talk them into measures which a year or so before looked quite easy to accept.

When one gets to the question of refining, there is a whole set of problems and you know that. You ask companies to invest in new equipment for processing, and I have always been one who believed you should process to the maximum in the country, when they have

the investment already in place and the energy costs are lower in some cases. There is a whole set of factors involved, not the least of which is that there are other sources for the materials for the existing smelters or refineries.

You and I know we can lose as many or more jobs in our own mines—seven to eight times as many, as a matter of fact—as we can create in the attempt to bring those refinery operations here. It is easy to paint simple solutions. There are none. We very much want to simply keep working with the problems of the Sudbury area hoping that both companies will—and I believe they will—survive the present downturn and we will see a very modest improvement.

I would hope we will continue to work towards alternatives to industry up there and see some growth in the secondary industry and mining machinery industries; none of which, by the way, will create the numbers of jobs we are talking about in the mines themselves, but all of which would help to stabilize the area.

Mr. Boudria: Mr. Chairman, thank you very much.

Il me fait grand plaisir de participer avec le Trésorier dans une discussion sur ces prévisions budgétaires et je suis très conscient des problèmes que nous avons dans l'économie, et plus spécialement dans l'est de l'Ontario.

Je suis persuadé que le Trésorier ayant vu lui-même à la dernière campagne électorale de Prescott-Russell, lors de l'assemblée des investitures de mon prédécesseur—je crois que c'était lui qui était l'orateur invité—s'il venait aujourd'hui dans le même comté je pense qu'il verrait, M. le Trésorier, que la situation économique est loin d'être aussi rose.

As a matter of fact, this government told us in the last election that because of some of things we were saying we were just doom and gloom people. Our leader was labelled Dr. No, Dr. Negative and all of those other things that you have accused us of. Looking back upon it less than two years after the election, it is quite obvious that not only were things as bad as we said they were, but they were far worse in every respect. I am sure you will have to admit to that, Mr. Treasurer.

In our area of eastern Ontario especially there is great concern. The member for Sudbury East (Mr. Martel) mentioned the problems they have in the north. The north is not the only area that is experiencing its share of trouble.

I tried some time ago to bring forward in this Legislature an emergency debate on the economy of eastern Ontario. The Treasurer will

perhaps recall that day, a day on which no government member from eastern Ontario, with the exception of the Speaker of course, supported my motion for an emergency debate.

The Treasurer will recall that at that time I expressed grave concern about the situation in the agricultural sector in eastern Ontario. The member for Huron-Middlesex (Mr. Riddell) has viewed agriculture in my area and he is well aware of the circumstances there. I hope the minister will familiarize himself with some of the problems we have.

The fact that the number of farms in eastern Ontario has decreased by about 16 per cent over the last 10 years while at the same time decreasing by only 12 per cent on a province-wide basis, is of great concern to me. The fact that the amount of acreage in Ontario has decreased by about 6.5 per cent is a big concern, but the fact that in eastern Ontario in the same period there is 13 per cent less farm land is certainly of great concern.

It should be noted as well that the government of this province is quick to point out that Quebec is the economic disaster of this country. It is interesting to note that from January to October of 1982, Quebec had 123 farm bankruptcies and in the same period we had 145. For us to call them an economic disaster and to do even worse than they are really speaks to the economic situation we find ourselves in in Ontario, particularly in the eastern part of our province.

I would like to discuss the unemployment and welfare statistics in eastern Ontario, but before doing that I would like to reiterate some of the housing starts we have had in our area. I will use one example. The town of Hawkesbury in 1979 had 56 housing starts and in 1980 only 27. In 1981 it had 15 and in 1982 it had seven housing starts. The economic decline of that area is surely quite apparent from listening to statistics like that.

Unemployment in eastern Ontario is a very large concern. That is not only in my area where, in the town of Hawkesbury, unemployment increased by 95 per cent from October 1981 to October 1982. It is also quite evident in some other areas of eastern Ontario, for instance the area of Bancroft, where unemployment has increased 96.3 per cent over one year. In Pembroke, it has increased 32 per cent. In Picton, it has increased 70.9 per cent. Unemployment in the area of Peterborough has increased by 39.1 per cent.

All this says that the economy of the eastern

part of our province is in a serious situation and I would hope the Treasurer, whom I know is listening attentively to what I have to say, will be able to respond to some of those problems shortly once he finishes his discussion with the member for Renfrew South (Mr. Yakabuski).

The number of welfare cases in eastern Ontario is also a big concern. He no doubt will recall that I expressed to him that the Brockville area has had an increase of 43 per cent in the welfare rolls over one year. For Hawkesbury, it is 26 per cent, Cornwall 27 per cent and 22 per cent in Bancroft.

Those welfare rolls do not take into account the very recent unemployment phenomenon which has plagued our area. I would like to know from the Treasurer if there are any plans by his government to come to terms with these very grave economic problems that we have in eastern Ontario.

9:20 p.m.

The Treasurer will no doubt recall the very recent closure of the Canadian International Paper Co. plant in Hawkesbury in which 431 people lost their jobs in a small town of 10,000. Just to show the impact of that, 15 per cent of all the workers in that town lost their jobs on December 1. Considering the area already had a very high unemployment rate, this situation is a catastrophe. It is very serious. No doubt the people of Hawkesbury will somehow pull through. They always have in the past and they will again, but in order for them to do that there is going to have to be direct action on the part of government.

Perhaps I should take a moment and say that I am very grateful for the assistance that was given by the the Minister of Industry and Trade during our deliberations in the fall when he made a very serious attempt to find methods of keeping that plant open, but it is now closed and I expect it will remain closed for some time. I only hope whatever efforts were made by the Ministry of Industry and Trade and the Treasury in the fall, and the very good report that was prepared by Mr. Douglas Miliken who worked for the ministry, will not just lie there and gather dust. I hope the Treasurer will follow that report through and really put a special effort into ensuring the CIP plant or another plant using the same facilities will be open some day.

Perhaps I will just take a minute and read a very short letter that was sent to me by some of the businessmen in Hawkesbury relating to that very grave economic condition.

The letter is addressed to me and reads as follows:

"Dear Sir:

"We, as long established retailers in Hawkesbury, find the closing of the CIP plant a disaster and a traumatic experience for the employees and all commercial establishment operators.

"The some 440 employees who will be losing their jobs by December 2, 1982, represent some 15 per cent of the Hawkesbury industrial work force. These layoffs mean there would be an amount of approximately \$8 million a year less contributed to the Hawkesbury economy.

"We realize that unemployment benefits for the first year and welfare payments in the future, will soften the blow." I should add that the size of welfare payments is so low that it really does not soften the blow much. "Although Hawkesbury and district is one of the zones considered a depressed area where the textiles, clothing and footwear industries are concerned, the program does not include the pulp and paper industry.

"In view of the hardship which these employees in the Hawkesbury economy must endure as a result of this layoff, we strongly urge you as our representative to implement a program to either assist the reopening of this mill or establish another industry to employ the jobless.

"Thanking you in advance for any amount of effort made in this regard which would be more than appreciated by every voter in your constituency.

"Yours respectfully,"

It is signed by one of the retailers in the area of Hawkesbury. I have received many letters like that. I hope the Treasurer and the government will find some very concrete measures to assist the economy of eastern Ontario.

I would like to talk for a minute about the buy-Canadian policy of the government. I do not know what impact the Treasurer has on those procurement policies, but my hope is he does have some impact there and that he succeeds in changing some of the procurement policies of the government.

I was listening to you earlier this evening when, I think in reply to the member for Windsor-Riverside (Mr. Cooke), you were talking about buying back our economy. I would like to suggest that one of the first ways you could do that is to start by buying Canadian.

The Treasurer will recall that last year I pointed out in this Legislature that his colleague the Minister of Transportation and Communi-

cations (Mr. Snow) had placed an advertisement in the newspaper in Victoria county to buy a Yamaha snowmobile. For the government of this province to do that is absolutely disgraceful.

GO Transit recently bought a computer for over \$200,000. They bought it in the United States. At the same time as this government is injecting money in our high-tech centre to try to develop our computer industry in this province, those two things are hard to rationalize. It is very difficult for us to see why those things are going on in this province.

Last year, the Ministry of Government Services was using one of those garage trucks which are used for lifting pallets and those kinds of things. It was a Toyota. We took a picture of it and brought it into this House. We saw an employee, again I think of Government Services, working outside on the lawn placing wood chips around some gardening work, wood chips which came from North Carolina. You will recall that I brought that to the attention of this House as well.

The minister will also remember that the government stationery supplies contain government of Ontario pens which are made in the United States. It says so right on the barrel of the pen. If you have one on you, you can look at it. It says, "Sheaffer. Made in USA." Those kinds of procurement policies are really questionable in these very difficult economic times. I would hope that the government would now find some method of correcting that.

No doubt you have seen the display case in the lobby which was installed by the Minister of Government Services (Mr. Wiseman), containing a choice of items bearing the coat of arms of Ontario, which we can buy as Christmas gifts. I put a question on the Order Paper recently. It is quite evident that a large number of government of Ontario articles and Ontario souvenirs are not even made in this country. That is truly unbelievable.

It is very difficult to understand why the province of Ontario tie is made in England. Is that not incredible? The Minister of Government Services has several mills right in his riding. It is of grave concern to all of us with the high unemployment that is going on. I hope the minister will respond to some of those concerns and will change some of the purchasing policies of the government.

Mr. Shymko: Where was your suit made? How about your shoes? Were they made in Taiwan?

Mr. Boudria: They were not made in Russia, you will be glad to know.

I hope the Treasurer will see to it that the procurement policies of the government are changed so that we do buy more Canadian-made goods. Perhaps one way to encourage that would be to increase the government's preferential rate for buying Canadian, which I understand is something like 10 per cent. That is clearly insufficient, given the difficult economic conditions we are in.

I hope the Treasurer will respond to some of those points, especially about the economy of eastern Ontario and the procurement policies of his government, with a view to creating more jobs in this province.

9:30 p.m.

Mr. Grande: Can you read this? Read it out loud.

Hon. F. S. Miller: M. le Président, voyant que mon collègue le député de Prescott-Russell a commencé ses remarques en français, je crois que je vais faire la même chose.

Comme vous le savez bien, le rapport qui a été fait par M. Milliken décrivait les problèmes de CIP Hawkesbury et il est tout à fait possible qu'il serait très difficile d'assurer l'avenir de ce moulin parce que les produits qui sont fabriqués là-bas sont très spécialisés. Ce n'est pas une compagnie de pâte et papier, c'est une compagnie de pâte seulement et la pâte qu'on fabrique là-bas est une pâte spéciale et malheureusement le marché mondial diminue chaque année et nous avons peur que les besoins mondiaux ne soient pas aussi grands que la production.

Vous avez dit que les problèmes de l'économie de l'est de l'Ontario sont assez graves, mais en même temps, pendant la dernière élection on ne prévoyait—est-ce que c'est correct comme ça?

Mr. Boudria: Nous on savait la vérité.

Hon. F. S. Miller: Les prévisions faites par le parti Progressiste conservateur sont toujours justes. Malheureusement, seulement un de mes députés me comprend.

Mais ce gouvernement a toujours les problèmes pour tous les secteurs de l'économie privée et tous les partis de la province et en tant que gouvernement—est-ce que c'est correct?

You have to correct my French.

Mr. Boudria: Continuez, c'est excellent.

Hon. F. S. Miller: He went back into English after a while. Maybe I can now, too. Obviously, the predictions made during the last election campaign were based upon a healthier estimate of the economy in total.

Mr. Boudria: They were based on the election campaign.

Hon. F. S. Miller: No, they were not. They were based on the predictions of the day.

We are taking action through the Eastern Ontario Development Corp., through the Department of Regional Industrial Expansion, through our attempts to work with the federal government, through our attempts to maintain the member's industry which had represented 15 per cent of the people in Hawkesbury. For example I even sent a copy of that report to Mr. Parizeau pointing out how important it was to his province and how important it was for us all to work together to save the jobs in Lachute—is that right?—in the supply of the wood furnished to that plant. And we are going to do our best.

We recognize, too, that agriculture is a major concern in eastern Ontario. I cannot think of a riding in eastern Ontario that has had more money spent on major drains or on works to improve the overall flows of waters and to provide better agricultural facilities than that of the member.

I must say that was before his time. I spent some time as the Minister of Natural Resources going over the highways and byways of his riding looking at every gully, every place where water could accumulate, every place where it could be drained. I worked to make sure we did that, all the while knowing that at the same time my colleague the Minister of Agriculture and Food was wondering how the heck to sell the stuff that was being produced in the rest of the province. That is a major problem, my colleague from down around Huron would agree.

We had these conflicting desires, first, to improve the numbers of acres of productive agricultural land in the province, and second, to make those who were already on them survive. I am not sure they are always mutually compatible objectives. In any case, I assure him we are concerned and we are doing our best.

Mr. Boudria: I notice the minister did not respond to one thing I raised, as to whether he was planning anything concrete to assist the whole of eastern Ontario. I notice some of the programs he announced over the last month were specifically destined for areas such as Brantford, but none for Hawkesbury. Is that because the Unemployment Insurance Commission benefits have not run out? Is that the idea? Will there be something forthcoming in the unfortunate eventuality that should happen?

Finally, there is one thing I did not think of raising earlier but perhaps the minister could

respond to it as well—it will be my final question. As the minister will know, the eastern Ontario development agreement is very low in funds. Are there any plans between himself and the federal government to add more funds in that area? It is of concern to us, as there seem to be very few, if any, funds left under most of the programs of the eastern Ontario development agreement. I do not even know if any of them do have funds left. Most of them have pretty well dried up.

The agricultural part of the agreement is of the greatest concern. It is completely out of money. There are still, I think, a couple of years left in the agreement and farmers in our area are no longer getting the one-third grant they were getting under that agreement. Now they are only getting the one third from the province; they are not getting the federal share. I would like the minister to explain whether there has been any attempt to get more money out of the federal government to add to that agreement as well.

Hon. F. S. Miller: First, in the terms and conditions of the Canada-Ontario employment development program, which is a joint federal-provincial \$200-million program, the criteria for eligibility for employment are set by the federal government and relate only to those people who have exhausted UIC benefits.

On the second question, I fought long and hard, not only with the Liberal government but with my own colleagues in Ottawa in the fall of 1979 when we were trying to sign the agreement, to reinstate the one-third federal share in some of those major trades, without success.

Mr. McGuigan: Mr. Chairman, I am pleased to take part in this Treasury debate. I am particularly glad to hear the minister say he is going to co-operate with the federal people because, as other people have expressed on this side of the House, it has been very frustrating over the last number of years when we come here with what we think is a good idea that would be of benefit to the economy and we offer it in a serious vein. The answer, of course, always is, "It cannot be done because of some shortcoming of the federal government."

I think this government has realized for some months that we are in a very serious situation. One hesitates to call it a depression; nevertheless there is a feeling that perhaps we are moving into that.

The part that scares me, as I go about my riding and talk to businessmen—and businessmen come to me on occasion—is that there are

instances when one says: "This business is certainly in good shape, to all outward appearances. The buildings are well-painted, the yards are properly kept. It appears to be a going concern." Yet the proprietor will say, "Can you tell me where I can get some money?"

I say: "Of course, if you want to expand and employ more people, you can apply to the Board of Industrial Leadership and Development people and they will look at it on an individual basis, or you might apply to your bank for a development bond. There is money available for worthy causes." He replies: "Yes, that is what I did on my last go-round, but I need money now to hang on. I need money to keep my payroll going."

In other words, these businessmen are saying they are losing money and they are very close to bankruptcy a few months down the road. This is happening to business people I visit, and I have farmers coming to me, people who look from the outside as if they are prosperous and do not have a worry in the world. It worries me because, in a riding such as mine, agriculture and the associated businesses around it seem to me to be the engine for a great deal of the economic activity in our riding and in surrounding ridings. Yet I know these people are not going to be doing anything in the way of capital purchases in the next few months or maybe for the next few years.

I am glad to hear the Treasurer is now co-operating with Ottawa. I think he realized far too late that we are going down that slippery road. It is such a shame to us when two years ago we and our leader offered economic plans which we genuinely believed would have saved us, but which were set aside.

9:40 p.m.

I want to say a word or two about some positive things. I want to thank the minister for adopting one of my pet offers—one I made to him on two or three occasions. That was to take the sales tax off vehicles that are powered by both gasoline and natural gas. While we have taken only tentative steps in that direction there are a good many people in the energy business telling us that is probably the fuel of the future a number of years down the road. I know a great many other alternatives were offered but because of our huge supplies of natural gas in Canada, and the relative ease with which it can be converted into a transportation fuel, one would think that was the way to go. I want to thank the minister for having made that first move.

I want to thank him too for a Board of

Industrial Leadership and Development grant. I know it is not very common for the government to receive accolades from this side of the House. In this case, it was a BILD grant given to the tomato processors in my county and the adjoining county, which is going to result in the production of 2,000 or 3,000 acres of tomatoes this coming year, a crop on which most farmers will make some money. I want to thank him for that.

I would like to explain something to the members on my left. I hear so many times about tomatoes and peaches being the solution to all our problems in the agricultural area and that we should be growing a great many more tomatoes—and we should. But I visited a tomato processing plant in September which was in full run. They were receiving tomatoes harvested and handled by machine. It was done very efficiently. It was a small plant in Kent county near Tilbury. It was the Hunt tomato people to be exact. While I watched this very efficient operation they had, I looked up the spur railway track and on that track were three carloads of imported tomato paste.

I might explain that these tomatoes are produced under an aseptic condition. This means they are sterilized. They are pumped into the tank cars just like gasoline or any other commodity carried in tank cars. The tank cars are sterilized. They will last almost indefinitely within that tank car. I was curious and I asked why they were receiving tomatoes on their spur line when there were three or four cars of imported tomato paste. I pointed out, which was known by anyone growing tomatoes in southwestern Ontario, that we only have a harvest season of about seven weeks, whereas our competitors in California, Mexico, Spain and Italy have a harvest season of 17 weeks to 20 weeks.

If we were to gear up to make all the paste we require in Canada in the seven weeks, we would have to have a great many more facilities—facilities that would lie idle the rest of the year. That is exactly what we are doing with the BILD grant. We are enlarging those facilities so that in the short season we have, we can receive more tomatoes.

It is often pointed out that we should be canning more peaches in Ontario and Canada, and we should. But the reason we are not canning them is because we do not have them. Those are policies of this government in many respects.

Mr. G. I. Miller: How many years have they been the government?

Mr. McGuigan: Some 40 years.

The Niagara Peninsula is the safest and best peach land we have in Canada; indeed, it is some of the best in North America. It is an even safer place to grow peaches than Georgia. The only place that is any better is the state of California.

Then we see that land being gobbled up and used for other purposes. We see land in other parts of Ontario that is good peach land—and I am speaking of land in Kent county, Essex county—

Mr. G. I. Miller: Norfolk?

Mr. McGuigan: And Norfolk to a lesser extent, climate-wise.

These lands are disappearing for other reasons, one of them being the lack of crop insurance for peach trees.

This year, because of political pressure, the government has agreed to a fruit-tree crop insurance program in eastern Ontario to cover apples, but because it has not had the political pressure to do so in southwestern Ontario it has neglected to come up with a peach-tree insurance plan. There is a lot of land in southwestern Ontario capable of growing these trees, but, in the face of all the economic uncertainties, the high cost of money, the risks involved in growing that crop—and it is a risky crop— unless the government is willing to share that risk, the growers are not going to grow peaches.

The problem is structural in that it is risky to grow peaches in Ontario, and this government has done very little to help that program. Its failure to act in that situation is similar to its failure to act in so many other areas. It is one of the reasons the government has survived for some 40 years. It is very easy to sit back and watch things unfold as they do in the free enterprise, natural system and if there are a few casualties, not to worry about it because they will disappear very shortly and will not be much trouble to the government.

One of those groups is farmers who shipped their livestock to receivers in the last several months and saw those livestock disappear, in some cases at a cost of \$60,000 to \$100,000 a farmer. There was even one in Essex county who lost \$160,000 because this government failed to provide a proper insurance or guarantee that dealers would pay their debts.

This government's politics are pretty simple: the government got away with it all those years.

It made very few people mad, and if there are a few casualties, people who lost their herds and farms, well, what of it; they will soon disappear.

The same has been true in the grain trade. Because of a lack of proper safeguards in the economic system, a number of farmers lost their grain crops. It is only now the government is moving, very belatedly, to add an amendment to the Grain Elevator Storage Act. Even so, the amendment the minister proposes will not take care of cases of fraud, and fraud is the most frequent cause of the losses.

The government has taken a hands-off attitude with the chain stores. In spite of almost \$500,000 that was spent on a royal commission into the discounting of food products, it has failed to implement even the very modest recommendations of that royal commission.

Following a very large crop of fruits and one of the largest crops in history of potatoes, onions and other staple winter vegetables in this province, for which the growers are receiving disastrous prices, we find that when we go to buy these in the chain stores, we are having to pay a pretty healthy price.

9:50 p.m.

I can give an example of the commodity I grow, which I am therefore more familiar with. A three-pound bag of apples is 80 cents at wholesale price delivered to the chain store. It is sold within about two or three days, because that is how frequent the deliveries are. It is paid for in cash at the counter, and that bag of apples will cost you \$1.60, which is a 100 per cent markup.

One of the consequences of this is that a number of people are opening up bulk food stores to try to get away from the high cost of packaging. But it is not the high cost of packaging that is giving us expensive food at the retail level and cheap food at the farm gate. The cost of packaging a three-pound bag of apples, depending on the situation, will run 10 to 12 cents, and there are some positive things in it, because a greater proportion of the crop is utilized. If you put those same apples on bulk display and ask people to pick them out themselves and sort over them, you do have a certain percentage of those that are bruised and lost in the process. It is not the cost of the package; it is the cost of the system.

We are going full circle today, moving back to the bulk food system we had 40 years ago where you went and scooped out your own peanut butter or your own crackers or whatever it was, put it in your own container at the corner store

and took it home. People have criticized that system for its lack of sanitation. We are going full circle from the packaging system of the last few years back to bulk. It is not because of the cost of packaging; it is because of the cost of handling through the chain store system, and the minister has not lifted a finger to make any changes in that system.

I was very happy to hear the Treasurer say that the tech centres were not really research centres, they were facilitating centres. If you stop and think about it, no one ordered Henry Ford to make the Model T. Henry Ford decided in his own mind and on his own time to do a lot of this work. He was working, I think, for Detroit Edison company at the time. He decided on his own to build an automobile in his own workshop, and I think the minister will agree with me that most inventions come in that manner.

If you look at the great advances that have been made in agricultural machinery—and machinery people will use this figure—some 95 per cent of the advances were made by farmers themselves. It was the farmer who was bending down to gather stalks of grain and tying them into a sheaf whose back complained, and he decided there had to be a better way. People of that ilk developed the reaper, the binder and finally the combine and so on.

Most of the improvements have been made by farmers themselves because of necessity and because, working at their particular level, they see where these improvements can be made. The greatest impediment to those people in the past has been the lack of a proper evaluation, the need for capital to refine what often are crude ideas and develop them into something that can be marketed.

I hope this farm technology centre in Chatham will turn out to be just that, but I am a little disappointed, as is a constituent of mine. I just want to read his letter to the Minister of Industry and Trade. He says:

"The technology centre for Chatham still concerns me, Gord. It relates to farm machinery. I am particularly concerned that, from the information I have received, industry input or representation thus far has been almost nil. In particular I note that industry is not represented on the steering committee except at dealer level. I was really taken aback when I learned no other member of the Ontario Wholesale Farm Equipment Association had ever been consulted by your hired consultants."

This letter is from Paul K. Turner, who is

president of the Turnco Corp., a manufacturer and distributor of farm equipment based in Blenheim, although that part of their operation is now based in Woodstock. This man is a very perceptive and knowledgeable person in the field of farm equipment.

He points out that the wholesale people are not represented on that steering committee. I realize the steering committee is not necessarily the final committee that operates the tech centre, although in usual practice I think most of them convert over to the permanent body.

My complaint with the government is the fact that they have allowed matters to drift in Ontario for far too long. They have hidden behind the excuse that, "We leave all of that to the federal people; they are the interventionists and we are going to take a hands-off policy."

Mr. Bradley: Except when there is credit to be got.

Mr. McGuigan: I agree.

The Treasurer knows very well we are in deep trouble, otherwise he would not be as conciliatory and co-operative as he is. He must bear some of the blame for that trouble.

I was not surprised, but I was disappointed in an instance that I am going to mention. Three years ago, I was asked by a small automotive parts manufacturer in my riding who had the opportunity to bid on all the air-conditioning compressors that were going to be required by American Motors Inc.

This was part of that federal deal whereby we bought so many billion dollars' worth of F-18 fighter planes in the United States and, as an offset to that, the United States would buy certain components here in Ontario provided they were competitive with those in the United States.

The reason they called me in for some assistance on this matter was that they were 15 cents too high on their bid for the major casting and block that was used in the compressors. I do not know what the cost of that block would be, but looking at it, I would assume that a few dollars—maybe \$5, \$6 or \$10—would be the finished cost, because a great deal of finishing work had to be done on it. Yet their costs were 15 cents too high and they were looking for a \$2-million Ontario Development Corp. grant which, in their minds, would bring the cost down by 15 cents.

We called the ODC people in and they investigated it. They would only give \$250,000 when \$2 million was required, and this meant the end of the project.

I guess it was my naïve state of mind as a farmer and with my background of working in the farm market with marketing boards and so on that made me say to him, "Why can you not talk to your people in the factory to see what contribution they could make to the 15-cent reduction in price that is needed on this particular piece of material to obtain the contract?"

He said: "I will not even ask them. I will not bring the subject up." That is all he said. I think what he was telling me was that labour relations were such that you could not even discuss such matters.

It seems to me the Ontario government must share some of the blame for that situation. The government is not trying to be innovative or to bring in new systems of labour relations, but is standing back and saying: "We have the Labour Relations Act and we have our conciliators. We will use the police to keep the factories open during the strike, and we are going to take a very benign attitude towards the whole affair." That factory today missed a contract which I suppose it would be happy to have.

10 p.m.

We hear a great deal about Japan. I want to read a small article which I am sure my friends on the left might object to at first, but I think if they stay with me to the conclusion, they will have a different view. This is a study that was done by Ken MacDonald—I am looking for the name here—and a chap by the name of Harbour, who is a consultant to the automotive industry. He unveiled a report at Stanford University for Economic Policy Research.

"Harbour told a conference on public policy issues in the automobile industry financed, by Joseph Koret and the Koret Foundation, that 'the biggest problem is not automation or robotics, but co-operative efforts with labour and suppliers to boost output, cut inventories and, most important of all, improve quality.

"'With a co-operative approach, Japanese auto makers now seek to boost productivity 10 per cent a year. Actual gains range from 13 per cent at Toyota and 14 per cent at Mitsubishi to 24 per cent at Toyo Kogyo. The Japanese are making us look like two-year-olds in how we manage plants. They are stomping us into the ground,' he said.

"'Toyota plants keep an inventory ranging from two hours' to two days' supply, but US manufacturers regard 10 days as a minimum and have as much as \$8 billion tied up in the parts pipelines.

"'Nearly a third of new US auto factory space

is devoted to inventory and parts storage which is practically nonexistent in Japan,' he said.

"'If the US auto industry survives,' Harbour said, 'it will recentralize in the Midwest in order to shorten lines between suppliers and manufacturers. GM's decision to cancel or curtail expansion in Kansas City and Baltimore points in this direction.

"'Shipping parts for assembly in Fremont, California,' Harbour said, 'costs \$250 per car with 14 days' delivery time to boot. Meanwhile, small cars assembled in Michigan now can be shipped anywhere in the US for less than \$200.'"

Then he says, "Where GM and Ford are run by finance people, in Japan the plant managers are in charge and no finance men are allowed in the plants.'" I know this would please our friends to the left. "Toyota is debt-free and clears at least \$500 average profit per car sold. The company made at least \$1.7 billion in 1981."

Then he says, "Where US auto workers average 45 minutes per hour on the job with machine uptime of less than 60 per cent, the Japanese average 58 minutes of actual work per hour with machine uptime exceeding 80 per cent.

"Unauthorized absences average eight per cent in the US and two per cent in Japan. Relief time averages 10 per cent in the US and five per cent in Japan.

"Where US manufacturers follow a tag system of relief, with one worker filling in several positions, the Japanese managers shut down entire manufacturing lines for relief time and build bigger bathrooms. The main effect of these differences shows up in product quality,' Harbour said.

It goes on about a good many other items: "The Japanese are not geniuses. They have done simple things we won't even look at. Instead of building lots of wooden and cardboard crates for shipping parts, for example, they use "just-in-time manufacturing" with extraordinarily fast turnaround time. Parts containers are designed with this in mind."

He goes on to say that it is not the workers. There is a \$1,700 difference between comparable cars; a car made in Japan costs \$1,700 less than one made in the United States. Only about \$400 of that can be attributed to labour. The rest of it is mismanagement. A good deal of that mismanagement is the distrust and confrontation system we have developed within our factories.

Perhaps I could just give the Treasurer an

example from my own business. I know he is a small businessman who probably will understand this.

In packing fruits and vegetables, which has been my business most of my life, we operated at a time with 40-pound bushel crates. All the work was done lifting these crates from person to person or from little cart to little cart. Then we came along to using hydraulic lift trucks. My people shied away from them at first. Rather than saying to them, "Well, you have to do it this way," and rather than fire this crew and bring in another crew, I simply brought the equipment in and left it with the people. Within a few weeks they were using it, and it became their idea and not my idea.

But in this industrial system of ours we have people coming out of management schools with their stopwatches and their computers. They go into these factories, having had no experience themselves on the line but having come up through the university system, and they immediately make enemies of the people who are working in those plants.

What I am saying is that this system is no longer good enough; it is not working, and we need a little bit of old-fashioned good sense brought back into our programs.

I cite the example of our various marketing boards, which have operated for many years here in Ontario. We do not have strikes in those marketing boards. We do not get the prices very often that we would like to have as producers, nor do the buyers very often get the prices they would like to have as buyers. The authority the system has and the rules it contains are stronger and more authoritarian than our Labour Relations Act. Yet the people within the system by and large do not abuse it; they make it work.

I suggest to the Treasurer that we need to explore some of those systems to get Ontario moving again. I think he realizes that as the months and days go by it is getting more and more troublesome, otherwise he would not be as concerned as he is.

Time is running out, Mr. Chairman. As a rural member, I am glad to have had an opportunity to convey a few thoughts to the Treasurer. I do not work on the assumption that he is going to adopt all of them, but I know he has adopted one or two of them in the past. I commend them to him for his perusal.

The Deputy Chairman: The member for Haldimand-Norfolk (Mr. G. I. Miller).

Hon. F. S. Miller: Mr. Chairman, I thought

that was the last speaker by agreement, but it is all right. I was told that an hour ago.

The Deputy Chairman: The member for Haldimand-Norfolk has a question he wants to ask.

Hon. F. S. Miller: In any case, Mr. Chairman, I have listened with great interest. I thank the honourable member for the kind comments he made. I also point out to him that I have studied Toyota; I have been there. I have looked at the kanban system, which is the "just-in-time" system. The member has to realize that system was built in a country geographically so much smaller than Canada and the United States that one can make a lot of comparisons that are not at all valid.

Second, they built an industry after the fact. It was not one that grew as a result of growing demand. They simply said: "We are going to have an automobile industry. There is a world market. We will create it here. We will put all our parts producers within a radius of the plant, and we will see that they deliver the parts." In North America, a plant in Bracebridge can be delivering parts to California and vice versa. We have had a decentralized system. I would argue with the member that the problems of employment and the distribution of employment in North America would be very great.

When the member talks about the relative difference in price, there is about 25 per cent difference, \$1,500 a car, alleged to be the advantage of Japanese manufacturers, and he said \$400 of it was due to labour and the rest was management. The member neglected to point out that the currency in Japan is 25 per cent undervalued. If it were compared on a North American basis to the real value of that currency, they would have about a \$200 difference. That is one of the things we have to fight.

10:10 p.m.

Mr. G. I. Miller: Mr. Chairman, I want to take a couple of minutes during the estimates of the Ministry of Treasury and Economics to bring to the attention of the minister some concerns that have arisen in my riding of Haldimand-Norfolk. Perhaps they are based to some extent on the unemployment figures in the December 3 Simcoe Reformer under the heading, "Registered Job Seekers Rise." The number of registered job seekers in the region jumped by more than 1,000 in November.

The registered unemployed figure has almost doubled from November of last year to 5,222 in

Simcoe, compared to 2,871 in 1981. Perhaps one of the main reasons for that was the weather. We had frost on August 24. It was devastating to the agricultural crop, particularly in Norfolk and the tobacco areas of Elgin and Oxford.

I would like to point out that the federal government has made \$1 million available for a job creation program in those three areas. I wonder if the minister might be willing to match that figure in trying to alleviate unemployment and generate some jobs for this winter. While I am asking that question, I also want to ask him how some of these job programs are going to be administered at the local level through the municipalities, working along with them. Maybe he could give some indication of how he is planning to make these make-work programs work.

The other thing I would like to bring to his attention is that because it is an agricultural area employing a lot of seasonal workers, we import a lot of offshore help for harvesting the crops. I wondered if it would be possible for the government to take a look at how we can encourage our own employees to accept these positions. We do have good accommodation. Each farmer is reasonably well equipped with housing that has been financed by public money from both the provincial and federal levels.

I understand the farmers' position. When they bring people from offshore they are more easily managed, because if they do not do the job they can go back where they came from. It is as simple as that. I know we have a lot of good people who do want to do a good job. If they can get enough weeks to utilize the unemployment funding we have been utilizing for several years, they can survive.

Again, with the way the economy is, there never was a more important time when we must work together with the farming industry and with municipalities at the provincial and federal levels. Those are two concerns I have. I also realize that farmers do not trust our local employees. They feel they do not carry out their responsibilities, but I think, given the chance, they can and would accept those responsibilities.

The other thing that concerns me is that the province has invested much money in the Townsend site, which is now trying to develop housing and get it on the market. They are marketing houses in that area at the present time at less than \$500 a month, which takes care of the monthly payments, the interest payments and the taxes. When we look at housing in

Toronto, where it is so difficult for people to own their own homes, I think this brings it within range for a lot of people. If they had the job opportunities, they certainly could afford to buy their own homes. Again, it is up to the government, not only the Treasury but also the Ministry of Industry and Trade, to generate jobs.

I think that is the key: utilizing the facilities that we have in the new town site of Townsend. In the community of Jarvis, there are 50 lots and not one has been sold in the last four years. In Port Dover, there is a subdivision with 400 lots and perhaps 200 have been sold; they have been saying this since 1975. Simcoe has several subdivisions sitting there with their services complete and not being utilized. They have underground hydro, paved streets and are ready to go. We look at Toronto and cannot find places for people to live. We have to put them in high-rise buildings and public housing.

It is important that we diversify this province and harness the investments that have been made by the province so that people may have an opportunity to have jobs and their own homes. The job is the key.

As my colleague for Kent-Elgin (Mr. McGuigan) pointed out, the Japanese have taken over a considerable share of our car trade. I believe we are importing, in 1982, something like \$1.3 billion worth of automobiles from Japan while we are exporting something like \$13 million in auto parts in return.

We have the new Stelco steel plant which was erected at the industrial site in the city of Nanticoke. We can produce steel as competitively as anyone. All we need is some use for that steel. It seems to me in the Treasurer's dealings at the federal level to get a bigger share of the auto trade, that would be an ideal place to consider locating additional facilities so that we can provide more jobs and use the resources we have invested in and get the economy in that part of Ontario rolling again.

I have just one further point. We have a lot of rural towns with outdated facilities in downtown areas. If we could come up with a plan to redevelop those areas, rather than building on the outskirts as we have done over the past 15 to 20 years under the planning of this government, it would stimulate many areas in Ontario.

I know of two examples, Caledonia and Hagersville, where the chambers of commerce are trying to come up with some redevelopment plans at the present time. If we were to utilize

the Board of Industrial Leadership and Development money on a low-interest loan program, it seems to me we would get much more value for our dollars. It could be done in the same way as in the tile drainage program, in which the people receive the money, pay low interest and pay it back and you have a continuous fund to operate with, whereas with BILD we are giving away \$750 million in the next few years and then is totally gone.

Again, as was pointed out by my colleague for Kent-Elgin, its support of the new processing plant has helped to stimulate the agricultural industry, but I think it would go much further and that people would be willing to put up some of their own money to match it, if it was lent out on a low interest program with a payback that would continue to stimulate the economy.

I would like to leave those three or four issues with the minister. I would like to have a response on the job creation program and the federal money that has been put into play now. Is the minister willing to match that funding?

Hon. F. S. Miller: Mr. Chairman, we had planned to vote, I thought, at 10:15. I am really not anxious to say too much except that, first, the villages or town sites, Townsend et al., were designed not to bring people from Toronto who work in Toronto, but to satisfy the needs of people who would be working at the proposed steel mill.

10:20 p.m.

It intrigues me when the member talks about Japanese cars. I think he was talking about those at the end. It always intrigues me when people in this country buy a Japanese product when there is a North American product available, if they work for government or any emanation of government or if they provide a service to the community, to people who work in North American factories. Most of us do.

I wonder if, when the member buys a Japanese car and he tells me he buys it because it is cheaper, he sits back and says, "Does the worker in the factory making a North American car have the opportunity to have a Japanese elected official, a Japanese school teacher, a Japanese doctor, a Japanese whatever?" The answer is no.

If we are not going to give him that choice then I think we should be buying the product he makes. I feel that until we recognize that we had better realize we have it all going for us. We demand everything we want at our price and we are not willing to pay his price for his product.

That is one of the North American illnesses.

I am not in a position to add much to the comments the member made earlier about agriculture, except to recognize that he has had some very difficult times in his area. To this point, I am not responsible for frost. I just have to pay the insurance when there is some.

Vote 901 agreed to.

Votes 902 to 906, inclusive, agreed to.

On motion by Hon. Mr. Gregory, the committee of supply reported certain resolutions.

CONCURRENCE IN SUPPLY, MINISTRY OF COLLEGES AND UNIVERSITIES

Mr. McClellan: Mr. Speaker, I do not intend to make a speech unless I am provoked. I understand there are a number of people who have some remarks to make and I am not sure that it is going to be possible to complete the debate on this concurrence within seven or eight minutes.

Hon. Mr. Gregory: Mr. Speaker, the 46th order would have been the Ministry of Education, and we were given to understand that was where the remarks were going to be. This concurrence is in the Ministry of Colleges and Universities, which we understood was going to be very short. Perhaps I am mistaken.

Mr. Speaker: Shall this resolution be concurred in?

Mr. Conway: Mr. Speaker, I want to indicate that through my colleague the member for St. Catharines (Mr. Bradley), the deputy House leader of this party, I had indicated that as critic for Colleges and Universities it was not my intention to speak at length on the concurrence for these estimates.

I will very briefly indicate to the minister that as spokesman for this party we are watching with ongoing interest her activities as Minister of Colleges and Universities. It has been remarkable to some of us that in the past few weeks she has brought to some kind of conclusion a variety of initiatives in the secondary educational panel, most notably that statement of about three Mondays ago, three weeks ago today I believe, at which point in a very splendid public way she adopted much of the Liberal education platform of the 1977 and 1981 elections.

Perhaps the Premier (Mr. Davis) misspoke himself when he was in my county in 1981 and made that pitch about grade 13. I might add that it was a pitch I well remember the member for Carleton (Mr. Mitchell) agreeing with at the

time. I have kept the clippings about his views on grade 13.

But I am not here to talk about that, except to say that we are waiting with great interest for some kind of definition to be given to the post-secondary educational community, where, as we have indicated on earlier occasions, a number of very significant issues remain to be addressed. I do not need to take the minister through the chapter and verse of that debate. My friend and colleague the member for Hamilton West (Mr. Allen) and others did just that in the estimates debate about a month ago.

As we approach the Christmas season and we are all imbued with the good mood of the season, I want to indicate to the minister that my colleagues and I are expecting some very clear indication of government policy with respect to the post-secondary sector in the very near future. I have indicated my own impatience with respect to what has happened in the whole Fisher debate. I hear by way of the grapevine that the Matthews proposal for new funding for the universities in this province is very well advanced indeed, and that discussions are at a critical stage now in that respect.

The minister, in her inimitable way, looks somewhat aghast.

Hon. Miss Stephenson: I would not use that word to describe it.

Mr. Conway: In the minutes allowed to us in this concurrence, perhaps the minister would state for the record precisely where we are as a Legislature and she is as a minister with regard to the whole question of a new formula for funding the universities in this province, which are, as she well knows, under the financial gun.

I want to conclude my very brief remarks by encouraging the Minister of Education and Colleges and Universities to move with dispatch in the coming days to clear the air of all the uncertainty that has been created as a result of inaction over the past 18 months. There are many of us who are deeply distressed to think that she and her government are not going to grasp the nettle of the challenge of the Fisher report, to use one very important issue as an example of the dithering that has gone on. I hope, in the time left in this fall session, she will be able to begin to chart a course for the 1980s for our very troubled post-secondary educational institutions.

With that, I want, through you, Mr. Speaker, to invite the minister to make such comment as she might care to make, and, of course, on

behalf of my colleagues to wish her all the best in the happy holiday season.

Mr. Allen: Mr. Speaker, I think the minister is rather aware of most of the issues I have raised in the course of the estimates in committee. Like my colleague who has just spoken, I think there are a number of very serious unresolved issues in the whole domain of colleges and universities. I do not sense they are being satisfactorily resolved at this time. They are issues that put funding over against accessibility, over against quality. I do not find, in the university spokesmen with whom I speak, that there is a sense that those issues are being moved closer to resolution.

I do not find the trend of funding in the context of the fiscal capacity of the province to be in a very satisfactory state as far as the universities and colleges are concerned. It strikes me that we are frozen into a set of relationships between those institutions and the ministry, which appear to go on and on without change.

I would hope some rather minor problems that occur in some respects in terms of scale and quantity of resources entailed—such as the problem of accessibility for handicapped students—would begin to be resolved in the near future, particularly in one department, namely the visually handicapped.

10:30 p.m.

But as we get a little bit further away from the issue, which now appears to have been taken over by her colleague the Provincial Secretary for Social Development (Mrs. Birch), I am not quite clear myself whether the minister has anything to do with that any longer, whether she is keeping a kind of watching brief on it or whether she is going to have any active input into the resolution of that particular problem.

I would hope she would see the university components of the suppliers of that kind of need are involved in serious consultations and that their sense of the need and the way in which it might be met would be satisfactorily taken care of in any resultant mechanism she and her colleagues may try to put in place.

It seems to me Ontario and its people are looking increasingly to the university and the post-secondary system to help them address the fundamental economic problems this province faces. I know the minister is aware of that. I am sure she is keeping her colleagues aware of it too. But somehow we approach no further a resolution of the particular problems that that proposition and that desire seem to entail.

Mr. Speaker: I remind the honourable member of the time.

Mr. Allen: With those remarks, I would be happy to conclude my contribution to the estimates, and likewise wish the minister well over the intervening weeks until we meet again in this House and have further exchanges on this matter.

Hon. Miss Stephenson: Mr. Speaker, I believe I have no alternative but to move adjournment of the debate.

Interjections.

Hon. Miss Stephenson: Can I move concurrence? I have no opportunity to respond at this point.

Mr. Speaker: If we have agreement, yes.

Hon. Miss Stephenson: I shall be pleased to respond further during the Education concurrence or through some other means, if that is appropriate.

Resolution concurred in.

The House adjourned at 10:34 p.m.

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Ontario

No. 181

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament
Tuesday, December 21, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Tuesday, December 21, 1982

The House met at 2 p.m.

Prayers.

APPLES FROM HALDIMAND-NORFOLK

Mr. G. I. Miller: Mr. Speaker, on a point of privilege: I want to point out that the apples on all members' desks are a little tradition I have tried to carry forward since becoming a member of the Legislature. They are a product of Vittoria in the riding of Haldimand-Norfolk, the great part of southwestern Ontario. I thought I would add a little colour to the Legislature as we wind down for the Christmas season. I wish all members a Merry Christmas and a Happy New Year.

Mr. Speaker: I thank you very much on behalf of all the members. I believe we will enjoy them no end. I was going to mention that we all have candy canes deposited on our desks as well, courtesy of Carrie Neale. Carrie is one of our pages, and I think we owe her a vote of thanks.

RESPONSE TO QUESTIONS

Mr. Laughren: Mr. Speaker, on a point of order: I wonder whether you have had an opportunity since yesterday to speak to the Minister of Natural Resources (Mr. Pope) in view of the fact that he is continuing to flout section 81(d) of the standing orders in regard to answering written questions on the Order Paper.

Mr. Speaker: No, I have not spoken to the minister. As you know, that is really not my role. However, as you may be aware, I did point out to him very directly and forcefully yesterday that he no doubt would take note. I hope he will respond to your request very quickly.

Mr. Bradley: Mr. Speaker, I have a very brief point of order, and I hope it is something the standing committee on procedural affairs will recommend when we send all our suggestions to it.

Today, for instance, if ministers have a reply to a question asked previously in the House, could you inquire before they rise whether it is going to be a lengthy answer? We in the opposition feel that sometimes the answer to a question asked previously is rather lengthy. It would be a great advantage, if there are going to

be lengthy answers, if the ministers indicated that and perhaps reverted to statements for a couple of minutes or something of that nature.

Mr. Speaker: I have made inquiries for the information of all honourable members. I have allowed those responses which, in the view of the ministers, have been rather urgent.

STATEMENTS BY THE MINISTRY

POLLUTION CONTROL

Hon. Mr. Norton: Mr. Speaker, today I am tabling the Ontario/Canada task force report on the operations of Inco Ltd. and Falconbridge Nickel Mines Ltd. in Sudbury. The task force was formed in May 1980 to study the two mining and smelting concerns in the Sudbury area. It consisted of representatives from both the federal and provincial governments as well as members of the public. The task force's mandate was clear and concise: to investigate air pollution abatement options for the companies and the effects of these options on Sudbury's people, economy and environment.

During its investigation, the task force reviewed Inco and Falconbridge air emissions and smelting processes in relation to abatement options. It examined a number of programs to control emissions and their resultant environmental, social and economic consequences to the firms and to the community. Also included in the review were the roles of both the federal and provincial governments in legislating pollution control.

The report does not make specific recommendations, but it presents several major conclusions that provide a basis for the development and evaluation of policy options, including the establishment of acceptable emission levels.

The task force reviewed 54 abatement options for Inco and eight options for Falconbridge and concluded that substantial reductions of emissions of sulphur dioxide and particulate material are technically feasible. These reductions could be achieved through modification and modernization of smelting processes, coupled with further treatment of sulphur dioxide gas.

The task force looked at three major sources of sulphur dioxide emissions at Inco, the copper

circuit, the nickel smelter and the remaining sources. As a base point, the task force considered Inco's emission levels as being the 1983 expected level of 1,769 metric tons per day, or 1,950 tons per day, and developed a range of projected programs, costs and reduction benefits.

One program calls for modification of Inco's copper circuit, which would reduce the company's daily emission levels by 600 metric tons. The total cost of this modification is estimated at \$75 million and would take about three years.

A second major area of emission control would be modernization of the Inco nickel smelter. This would result in a reduction of emission levels to between 800 and 1,200 metric tons per day. The cost of this program is estimated at \$260 million to \$430 million and would take from five to nine years to complete.

A combination of modifications to the copper circuit and modernization of the nickel smelter would reduce daily sulphur dioxide emissions to 500 metric tons and could be achieved within 10 years at an estimated cost of \$335 to \$500 million. At this point weak gas treatment, scrubbing, could be installed and emission levels could be further reduced to approximately 50 metric tons per day at an additional cost of about \$184 million.

The task force also acknowledged that Inco could incur additional costs of up to \$300 million because of time factors and added changes to existing facilities to ensure maximum advantages from modernization.

2:10 p.m.

The task force also reviewed abatement options for Falconbridge, which has a more modern smelting operation. Therefore, fewer and less expensive options were open for review. Upgrading of the smelter operation by three abatement programs could reduce sulphur dioxide emissions to about 90 metric tons per day from a current allowable limit of 422 metric tons. Further gas treatments could reduce emissions to less than 50 metric tons per day at a total estimated cost of more than \$60 million.

While the task force identified the emission levels technically feasible, it made no judgment on which level of reduction would be necessary to achieve the desired environmental results. The task force estimated that reductions would be phased in over a three- to 12-year period.

The net gain for Sudbury's environment should these reductions take place would be small, but sulphur dioxide emission reductions from the Sudbury smelters no doubt will mean environ-

mental improvement to other provinces and states. Without similar reductions from sources in other jurisdictions, damage to Ontario's sensitive areas as well as to other provinces and states will continue.

Sudbury and the two companies are obviously suffering from current depressed economic conditions and world metal markets. The companies have suspended production, and this has led to both permanent and temporary layoffs of workers. Therefore, the need for environmental improvement must be considered in the context of present economic conditions, including future earnings and the ability of the companies to shoulder the costs of abatement and modernization.

None the less, the findings of the task force suggest that improvements in the smelting process which contribute to reductions in emissions will also result in other efficiencies and savings to the companies. In addition, the task force noted that implementation of process changes at Inco would result in a significant number of construction-related job opportunities. The installation of a more efficient smelting process could result in 600 to 800 fewer jobs.

The province has jurisdiction to regulate local sources as they affect Ontario, and the federal government has the responsibility for transboundary air pollution between provinces and nations. Any solution to Sudbury's environmental and related economic problems requires substantial participation by the federal government. Therefore, I intend to pursue this report with the Minister of Environment Canada and his associates as well as with my cabinet colleagues of other Ontario ministries that are concerned.

I think it is apparent that the solution to Sudbury's complex problems will require the combined efforts of the companies, the federal government and the Ontario government and the support of the people of Sudbury. Given time and determination, I am confident we can accomplish this shared goal.

MINISTRY OF COLLEGES AND UNIVERSITIES AMENDMENT BILL

Hon. Miss Stephenson: Mr. Speaker, later today I shall be introducing a bill entitled An Act to amend the Ministry of Colleges and Universities Act.

Ontario universities traditionally have enjoyed autonomy in the management of their financial and academic affairs. Now, however, the major portion of their operating funds comes from the

public purse. Government therefore has a responsibility to ensure that the universities are adequately accountable for the expenditure of these public funds and that the future viability of the universities is not jeopardized by incurring unmanageable deficits.

A report by the Committee of Financial Officers, Universities of Ontario indicates that increasing numbers of institutions incurred operating deficits for the 1981-82 fiscal year and that several institutions have cumulative operating deficits for 1981-82 in excess of \$1 million. Such situations could lead ultimately to financial insolvency.

On February 18, 1982, I announced that the government would not provide extraordinary funding for institutions that incur unmanageable deficits. I then asked the Ontario Council on University Affairs to advise the government on the most appropriate legislative method to prevent universities from incurring unmanageable deficits and to eliminate or reduce any that have been incurred. Council responded with advisory memorandum 82-V, Restrictions on University Deficits. The advice contained in this advisory memorandum forms the basis for the legislation.

The legislation will prohibit universities from incurring cumulative deficits in their operating fund accounts in excess of two per cent of their operating revenue for the year. While I believe that universities should strive to avoid incurring deficits of any size, the two per cent limit will allow them some flexibility in the management of their financial affairs. At the same time it will prevent them from incurring deficits that could threaten their future viability.

It is expected that each university, as an autonomous body, will be responsible for deciding how best to live within the legislative restriction on university deficits.

Intervention—that is, the appointment of an investigator or university supervisor as provided for in the legislation—will occur only when universities are unable or unwilling to reduce unmanageable deficits.

SPEECH BY MORLEY ROSENBERG

Mr. Peterson: Mr. Speaker, on a point of information: I am sure all members will want to know this, particularly at Christmas time, in the spirit of generosity most of us have towards our friends in wanting to help those we love at this time of the year.

It is a notice in the December 20 Background, distributed by the Ministry of Municipal Affairs

and Housing, entitled "Ontario Parks Association." It says: "The association will hold its annual educational seminar at Humber College in Rexdale, March 10 to 11, 1983. Morley Rosenberg of Kitchener is to speak on the theme 'Survival—Pulling Together.'"

I am sure all members will want to be there.

ONTARIO HUMANE SOCIETY

Hon. G. W. Taylor: Mr. Speaker, today I am tabling a report on the organization, management and financial management aspects of the Ontario Humane Society. The report by Price Waterhouse Associates follows an assessment done by staff from the Ministry of the Solicitor General on the operations of the society.

The members will recall that the ministry's assessment was instituted following a number of public statements made about the society through the media, through letters to the ministry or through contact with members of this Legislature.

One of the recommendations from the assessment was that a management consultant firm should be engaged to advise on appropriate action and bylaw amendments. The firm would study organizational, financial and management issues raised by the assessment. It would also look at the issue of the composition of the board of directors and classes of membership.

Price Waterhouse Associates has conducted a thorough study of the operations of the Ontario Humane Society and has come up with a number of recommendations. These recommendations are being studied by my staff, and the report has been forwarded to members of the board of the Ontario Humane Society for their consideration. Shortly, we will be conducting further meetings with the board to discuss the implications of the report.

This review was conducted because my ministry is responsible for the administration of the Ontario Society for the Prevention of Cruelty to Animals Act. The statute creates the Ontario Humane Society and authorizes it to perform law enforcement functions in relation to cruelty to animals. Obviously the ministry has an interest in seeing that these functions are properly carried out.

We will continue to advise and assist the society as it carries out its crucial work. The recommendations of Price Waterhouse Associates will be given careful consideration. Copies of the Price Waterhouse report are being made available to all members, all affiliates of the Ontario Humane Society and other interested groups.

POLICE ACT AMENDING REGULATION

Hon. G. W. Taylor: Mr. Speaker, I wish to inform the House of an amending regulation under the Police Act authorizing the use of an open style of safety holster by Ontario police forces. The current regulation requires a full flap cover on the holster. This is being changed so that the Ontario Police Commission can authorize "other types of holsters" as an option to the full flap cover.

In 1980, Judge John Greenwood prepared a report on the use of firearms by police officers. Judge Greenwood was impressed by gun holsters designed so that a revolver cannot be removed from the holster unless released by a thumb break by the person wearing the holster.

He said that through the use of a locking mechanism, the firearm will not be dislodged during pursuit of a suspect or during a scuffle. The safety holster also fits snugly to the body, so it will not hinder active police duties.

The design of these holsters, however, requires that the butt of the revolver be exposed to public view. The holsters were therefore unavailable to police in Ontario by virtue of a regulation under the Police Act which provides, "The revolver shall be carried in a holster with a full flap cover, or be otherwise concealed."

Judge Greenwood recommended that the new, secure holster be tried on an experimental basis. As a result, 38 police forces were authorized by the Ontario Police Commission to use the new safety holsters on a trial basis.

The study was carried out under the auspices of the Ontario Police Commission, and all groups within the police community were represented. The report strongly favours the new holsters, both for the safety of the officers and the public.

2:20 p.m.

There was little or no adverse reaction from the public to the forces testing the new holsters. Indeed, the holster was used by the Ontario Provincial Police at Ontario Place with no adverse comment whatsoever. Therefore, the amended regulation still permits a holster that is covered by a full flap. The other option, where the police governing authority applies to the Ontario Police Commission and gets approval, is to adopt the open, secure safety type of holster.

I want to emphasize that the option of whether to use the open-style holster or to continue with the flap style will be left to the local police governing authority. However, the open-style

holster must be approved first by the Ontario Police Commission.

LAW REFORM ACT REVIEW

Hon. Mr. McMurtry: Mr. Speaker, I rise today to announce—as I suggested to the leader of New Democratic Party last week I would be—that I will be conducting an extensive review of the Family Law Reform Act as we approach the fifth anniversary of the passage of that legislation.

Honourable members may recall the deplorable state of the law relating to support and sharing of property before 1978. My predecessors engaged in extensive consultations with the people of this province from 1973 to 1975 to develop a comprehensive reform of all our family law.

We began our legislative program with changes to the law of estates, now found in the Succession Law Reform Act, and with the abolition of the status of illegitimacy in the Children's Law Reform Act. We introduced a Family Law Reform Act, which represented an enormous advance in our legal system, as it ended any legal distinctions between married women and men and equalized them in the eyes of the law. Just this year, we enacted the custody provisions of the Children's Law Reform Act, and soon we hope to complete the family law reform process with legislation concerning names and changes of names.

The Family Law Reform Act has been a notable success overall, as it has provided substantial sharing of property by spouses who suffer a marriage breakdown and has recognized the rights and needs of spouses and children in the support awards. One only has to think of such landmark decisions in the courts as the Silverstein, Bregman and Weir cases, in which the homemaker spouse received a very substantial property award, to see what an enormous improvement the Family Law Reform Act's provisions are over our old law of family property. Even in the Leatherdale case, which has provoked much comment, the wife received half the family assets plus a substantial portion of the nonfamily assets.

Now that we have had almost five years' experience with our Family Law Reform Act, however, it is time to pause and consider whether there may be some improvements indicated by the passage of time and the wisdom of hindsight.

I understand the federal Minister of Justice is about to undertake a review of the Divorce Act,

which is now more than 15 years old. There is no doubt that changes in society have left the Divorce Act behind, and I commend my federal colleague for initiating this process.

Perhaps outlooks in Ontario have changed in the past five years on how our matrimonial property and support rules should be structured. I am proud to say we were the first of the common-law provinces to bring family law reform into effect. Now we will be the first to review and to reassess, and it may be that the law of our sister provinces, which came along later than our own, will be of some benefit to us.

I am inviting written submissions from any interested person or organizations on any aspect of the Family Law Reform Act they feel is in need of amendment. I would particularly like to hear from such organizations as the Ontario Status of Women Council, the family law subsection of the Canadian Bar Association and, of course, any other group with particular experience or expertise in family law.

Any proposal for reform of any part of the act will be carefully considered, but there are some areas in particular where I seek comments: (1) Are the provisions for sharing of nonfamily assets in need of adjustment? (2) Is the definition of family assets adequate? (3) Should the legislation be extended to provide for a guaranteed share of property on the death of one of the spouses? (4) Are the protections of the act for the matrimonial home sufficient? (5) Are there any problems in the support provisions of the act?

It is my wish that all briefs be sent to me by March 1, 1983. I will then review the briefs with officials of my ministry, and it is my hope that I will be able to incorporate any meritorious suggestions in a bill to be brought before the House within one year from that time.

The government remains committed to the principles that marriage is a partnership of equals and that, if a marriage comes to an end, the law should ensure the spouses are treated fairly and equitably. We must seek to reflect the views of our people in our matrimonial law, because if we do not, the result will be only that couples will contract out of the law or even opt out of marriage. With this review we are seeking to keep our Family Law Reform Act in harmony with the needs and wishes of the people of Ontario.

LOAN AND TRUST CORPORATIONS AMENDMENT BILL

Hon. Mr. Elgie: Mr. Speaker, on November

16 I made a statement to this House on the actions the government was taking to deal with a number of problems generally related to residential tenancies. These included particularly the problems related to the potential impact that the sale and refinancing of rental buildings has on the financing costs that may be considered by the Residential Tenancy Commission in the process of reviewing requests for rent increases.

At that time I clearly indicated that there was a need to look beyond the issue of the tenants' problems created by the sale of rental buildings to the broader issues involved, and the actions announced on November 16 therefore dealt with a broad range of issues.

I announced the intent to introduce a bill to restrain rent increases that were being justified by a pass-through of the cost of profit-taking, and this bill now is before the House today.

I also announced that the Residential Tenancy Commission had developed and would be applying immediately new guidelines dealing with the problems arising out of the financing costs of sales and resales of residential rental properties.

I announced the appointment of Stuart D. Thom, QC, under the Public Inquiries Act to carry out a review of the existing laws regulating residential rental properties.

I announced that the Ministry of Municipal Affairs and Housing would be carrying out and making available to Mr. Thom a thorough analysis of the overall housing market, including conditions prevailing in both rental and private housing areas.

Finally, I announced the appointment of James A. Morrison, FCA, of the firm of Touche Ross to make a special examination and audit of the books, accounts and securities and to inquire generally into the conduct of the business of several loan corporations and trust corporations in accordance with section 152 of the Loan and Trust Corporations Act.

It is in respect of this last initiative that I wish to make a further statement today.

Members will recall that Mr. Morrison was appointed to examine five corporations that are registered under the Loan and Trust Corporations Act and that one of the main areas of investigation was to determine whether any of these corporations were lending money secured by mortgages on properties in amounts in excess of 75 per cent of the value of the properties.

In reviewing the options that were available

to me as minister and to the registrar appointed under the Loan and Trust Corporations Act, it became apparent to me that the act may not contain the powers to deal adequately with the economic times and changes in business practices that now confront us. My staff for some time has been working on a substantial revision to the Loan and Trust Corporations Act to ensure that it is suited to the much more complex business world we face today.

In this regard, members may recall that an unnumbered bill proposing amendments to the Loan and Trust Corporations Act was put out for discussion by my predecessor. It had been our intention to introduce a bill, at least for first reading, this fall. However, I now believe that we should be addressing a broader range of issues than was covered in that unnumbered bill. I also now believe that the most appropriate method of proceeding would be by issuing a white paper to encourage and to obtain general public discussion of our proposals.

In reaching this conclusion, I have been mindful of the need to proceed prudently in an area that involves the investment of large amounts of money by a great many depositors and shareholders. It is not an area of legislation where one makes snap judgements to change fundamental principles or relationships that have been followed and applied for years.

2:30 p.m.

To cite but one example of the complexity of what may at first blush appear to be a simple issue, I would mention the word "value." I spoke earlier about the question of mortgages exceeding 75 per cent of the value of the property securing them.

What does "value" mean in this context? Does it mean "fair market value" and, if so, how do you take into account elements of "value" that may be attributed to tax benefits that may arise out of the way the property is financed? I can assure the House that even clarifying the meaning of this one word is not a simple matter to resolve. Nor is it easy to predict the practical consequences of any particular meaning that may be put upon it.

However, notwithstanding the risks associated with legislation in this field that has not been subjected to wide public review, I have concluded that at this time it is prudent to introduce legislation to deal with two specific areas in which the powers contained in the existing act are, in my view, inadequate.

In proceeding with the legislation today, I wish to emphasize that Ontario is served by a

well-managed and long-established loan and trust industry. Most of the loan and trust corporations should not be affected by the proposed amendments. We hope the mere existence of the new powers will be sufficient to persuade any companies that might otherwise be affected by the proposed amendments to so order their affairs that they avoid the need for us to apply them.

However, we are aware of activity in the loan and trust field that, as a matter of prudent administration, should be subject to review and, where required by the public interest, controlled. In view of the length of time that will most likely be necessary for the preparation, circulation and review of the more extensive amendments to the act, I believe we should be proceeding with these amendments now.

Under the existing legislation, anyone wishing to incorporate a new loan or trust corporation must petition the Lieutenant Governor in Council and must establish to the satisfaction of the Lieutenant Governor in Council that there exists a public necessity for the company, that the applicants are fit to discharge the duties of a trust or loan company in a way to command the confidence of the public and that the public convenience and advantage will be promoted by granting the powers applied for.

In contrast to these safeguards, there is no test of fitness when new owners acquire an existing trust or loan company. I believe there should be a review of the fitness of persons wishing to acquire an operating trust or loan company, particularly where the company is taking in deposits from the public.

As we have seen in recent weeks, business ventures can develop and apparently change direction very quickly. Since we are aware of interest being expressed in the acquisition of existing trust or loan companies, I believe it is appropriate that we move immediately to ensure that any further changes in control of these companies is subject to public review. The first major principle of the proposed legislation will provide for this new approval process.

I wish to draw particular attention to the fact that this new procedure to provide for an approval process in respect of the acquisition of existing trust or loan companies will take effect as of today and will apply to any transfer or issue of shares that has not yet been entered in the books of the corporation.

The other major principle of the proposed amendments will enable the Lieutenant Governor in Council to authorize the registrar to take

possession and control of a trust or loan company in a more expeditious manner, and for a wider number of reasons, than is now possible under the existing act.

The amendments will also authorize the imposition of terms and conditions on the operations of a company where it is not considered necessary to take such possession and control. The new grounds for taking these actions recognize a number of circumstances where the public interest may require prompt action.

As I have already said today, it is our intention to review the Loan and Trust Corporations Act and to put out a white paper on those proposals. This process will permit a public review of those proposals I have just outlined, and should adjustments be advisable we will be able to bring them forward as part of the bill I would expect to have before this House next year.

Before ending this statement, I would like to return briefly to the subject of the special examination being conducted by James Morrison under section 152 of the Loan and Trust Corporations Act. I will be in a position to report to the Legislature with regard to the Morrison special examination when this House reconvenes in January.

I want to make clear our determination as a government to find out the precise nature of the transactions involved. I want to make it perfectly clear that if the necessary information is not forthcoming from any of the companies involved in the Cadillac Fairview transactions, we will take the necessary steps to broaden that inquiry.

INDIAN BAND AGREEMENT

Mr. T. P. Reid: Mr. Speaker, I rise in regard to the question I asked the Minister of Natural Resources (Mr. Pope) yesterday concerning the agreement he signed with various Indian bands relating to fishing rights.

I think the minister may inadvertently have given the impression that both the Northern Ontario Tourist Outfitters Association and the Northwestern Ontario Municipal Association were in accord with the agreement that was signed last Friday. I have spoken to people who attended the NOMA meeting, which some described as a shouting match, and to people in NOTOA. They are most distressed about what

has happened and the process by which it has happened.

The minister promised he would table a copy of the agreement and I saw something go over to the table. I would hope he has also tabled a copy of the map, so that we will know what waters in the province we are talking about.

Finally, I would bring to your attention, Mr. Speaker, that these matters are of urgent importance to the Legislature and this minister, along with other members of the government, continue to flout the ability of members to do their job by providing these agreements in this Legislature.

ORAL QUESTIONS

MORTGAGE COMPANY TAKEOVERS

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations. Could the minister inform this House whether the act he referred to in his statement today, when passed, will deal with the following share transfers: (1) the takeover of Crown Trust by Greymac Credit; (2) the takeover of Greymac Trust by Crown Trust; (3) the takeover of Greymac Mortgage by a numbered company controlled by Mr. William Player?

Hon. Mr. Elgie: Mr. Speaker, it is my impression that the first acquisition, that of Crown Trust by Greymac Credit, was by public offering and there is still an outstanding offer to minority shareholders. Since the transfer of that number of shares that have already been acquired has been registered on the books, I would not expect that would be involved in this legislation. However, I will review the whole matter for the member's information.

Second, the takeover of Greymac Trust by Crown Trust is not quite that. It would be classified as an acquisition or merger, and such acquisition or merger requires the assent of the Lieutenant Governor in Council.

Third, on the issue of Greymac Mortgage, a federally incorporated company, again I would have to make inquiries to determine what stage of negotiations and what stage of contract that particular reported takeover is at.

Mr. Peterson: The minister may be aware that a member of my research staff spoke to an official in his ministry today concerning the takeover of Crown Trust by Greymac Credit. The official said they had checked the ministry file and had been unable to locate the necessary

section 81 notice of when a takeover is going to transpire.

If that is indeed the case, will the minister not agree that if the appropriate notice has not been filed under the old section 81, then a share transfer has not been completed and the registrar has an obligation to bring this series of transactions under the new legislation?

Hon. Mr. Elgie: All I can say is that this is an issue we will certainly be reviewing, but I cannot comment in any exact way on the question that has been put.

2:40 p.m.

Mr. Rae: Mr. Speaker, given the kinds of powers the minister is now prepared to give the registrar and the cabinet, can he tell us why, at the same time he was moving on that front, he was not also prepared to move on the question of disclosure? Surely he would agree that, as far as the Morrison inquiry and other inquiries are concerned, the question of disclosure is quite fundamental. Why has he been so reluctant to move in that area?

Hon. Mr. Elgie: First of all, Mr. Speaker, as I am sure the member is aware, the general issue of disclosure is related to the Corporations Information Act. The disclosure referred to in the bill that will be before the House later this afternoon does deal with some aspects where the registrar may require information concerning disclosure. As the member knows, the general issue of disclosure is one that would be considered primarily under the Corporations Information Act.

Mr. Peterson: With respect to the minister's statement, he has promised a white paper containing proposals for reform of the Loan and Trust Corporations Act. I want to be very clear that he has promised to this House that that white paper will go to an all-party committee of this House for a complete review. I assume my understanding is correct. In addition to that, I want to ask if the minister is prepared to let that committee review the behaviour or the performance of the financial institutions division of his ministry over the last year or two.

Hon. Mr. Elgie: In answer to the first question, I am quite prepared to have either the white paper or the bill, if one is introduced next year, reviewed by a committee of this House.

The answer to the second question is no, and I think it is impertinent to ask it.

Mr. Roy: Can we review the minister's performance?

Hon. Mr. Davis: I would stack his performance against the member's any day of the week.

Mr. Speaker: Order. Second question from the Leader of the Opposition.

Mr. Peterson: The Premier sounds as if he has had lunch with the Minister of Community and Social Services (Mr. Drea). He should settle down a little bit.

Hon. Mr. Davis: I would rather have lunch with him than with the member.

Mr. Speaker: Order. Proceed, please.

Mr. Peterson: The Premier could not find anybody else to have lunch with. That is his problem.

Mr. Speaker: Never mind the interjections, please. Order.

DEATH AT ALLIED CHEMICAL

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Labour concerning the death last night at the Allied Chemical plant in Amherstburg. Apparently a worker operating a bulldozer for a company doing some type of diking work for Allied on a contractual basis lost his life early this morning when a dike gave way, immersing his bulldozer and himself in some chemical waste. I am sure the minister is aware of this. Can he tell the House if he has called the coroner to investigate the circumstances of this unfortunate death?

Hon. Mr. Ramsay: Mr. Speaker, I do have a preliminary report here. The sad part is that the last time I checked, the body had still not been located. Certainly every measure at our disposal will be used to investigate to the fullest this very tragic accident.

Mr. Peterson: Will the minister advise his officials to determine in the course of their investigations whether there have been any breaches of the Occupational Health and Safety Act?

Hon. Mr. Ramsay: Absolutely so. There is no doubt about that at all.

Mr. Cooke: Mr. Speaker, is the minister aware that this young man was working last night on a dike about which there is a question as to how strong it was because of the large amount of rain we have had in that area? Is he also aware that the construction company doing the work at this time is not the regular construction company?

There are real questions in people's minds as to whether the individual who died as a result of

this tragedy was able, prepared or had the training to run that machine under those circumstances. Can the minister say very clearly to us now that he will order a coroner's inquest under these circumstances?

Hon. Mr. Ramsay: Mr. Speaker, I am aware of the various points that the honourable member has brought forward. I do not believe I have the authority to order a coroner's inquest, but I do believe a coroner's inquest is mandatory in any event in circumstances of this nature.

Mr. Peterson: The minister should check section 10 of the act. I think he can request one.

The minister is aware of the industrial strife at the plant site recently because of the strike and the practice of the company of bringing in nonunion workers to perform the work at the plant. Can I ask the minister to investigate all of the circumstances attendant thereon and to ascertain if these abnormal circumstances contributed in any way to this most unfortunate tragedy?

Hon. Mr. Ramsay: I have no hesitation in assuring the Leader of the Opposition that this will be done.

LOAN AND TRUST CORPORATIONS AMENDMENT BILL

Mr. Rae: Mr. Speaker, I would like to address my question to the Minister of Consumer and Commercial Relations with regard to the statement he made today and the legislation he is going to be bringing down this afternoon.

I would like the minister to focus his attention, if he could for a moment, on the question of valuation, which he deals with on page 3. Is the registrar going to be clarifying this situation with regard to valuation when it comes to looking at the activities of a number of companies in question? The minister says it is a highly debatable issue and one on which there are differing points of view; but I am sure he would agree that if the basis of valuation upon which a number of these companies have been lending money is questionable, it does cast doubt on the entire operation of some of these companies.

Is the registrar going to be laying down clearer guidelines than currently exist with respect to the question of the valuation of property?

Hon. Mr. Elgie: First of all, Mr. Speaker, the term "value" is not defined in the act and, as the honourable member knows, cannot be defined by regulation. The very issue of what value is, is

being considered now in the special examination being carried out by Mr. Morrison.

Certainly, as I have already said, the issue of what value is will be included in the white paper, and at this time I really do not feel I should comment any further, nor am I prepared to agree with the member's remarks that there may be questionable practices of valuation going on at this time. Those are matters that are still under consideration.

Mr. Rae: My supplementary question relates to the very specific question involving Greymac and Crown Trust, and I heard the minister say—and he can correct me if I am wrong—that the reverse takeover would require the approval of the Lieutenant Governor in Council with respect to the takeover of Greymac Trust by Crown Trust.

Can the minister tell us his attitude to that takeover today? Surely he must have had some particular transactions in mind when he brought in this legislation, otherwise he would not have brought it in in such a hurry. Can he tell us what his attitude is to that transaction?

Hon. Mr. Elgie: First of all, there are two parts to the honourable member's question, one of which is unrelated to it, because this legislation today does not in any way apply to the issue of amalgamations or mergers. There already are provisions in the existing Loan and Trust Corporations Act dealing with that. As I said before, such a merger requires the assent of the Lieutenant Governor in Council, and I am not presumptuous enough to decide what that council would determine in advance.

Mr. Rae: In the proposals that the government will be looking at in the future, will the government be considering two things: first, will it consider limits on the number of shares that any one person can hold in a trust company so that we do not get into this situation of increased concentration which exists in the industry right now and which poses a very real problem? Second, is the legislation going to consider the question of trust companies' shares in other businesses—in other words, limitations on the ability of trust companies to engage in the ownership of other companies? Is the legislation going to deal with those two questions?

Hon. Mr. Elgie: I cannot at this time tell the member exactly what would be in the white paper. Certainly the issue of limitation on the ownership of trust companies is an issue that is now up for discussion in the federal government's white paper, and one might wait to see

what benefit can be obtained from that public review.

I cannot tell the member exactly what will be in the white paper, but I would expect that areas of interest and general importance to the industry will be raised for discussion in it.

2:50 p.m.

PLANT SHUTDOWNS

Mr. Rae: Mr. Speaker, my question is to the Minister of Labour. It concerns severance pay and, among other things, the prospective closure of the CCM plant in Toronto, in the riding of York South.

Seeing that there was a commitment in the speech from the throne on March 9 of this year that the government would advance the Employment Standards Act in the area of protection of severance pay, can the minister tell us why nothing has been done, no changes have been announced in severance pay legislation? Why in particular has nothing been done in respect to those companies that are either facing bankruptcy or receivership?

I am sure the minister knows the very real hardships caused to workers of those companies when they take second place to the bank. Can the minister explain why there has been no action in that area?

Hon. Mr. Ramsay: Mr. Speaker, the provincial government has been in almost weekly contact with the federal government in respect to the proposed Bankruptcy Act, Bill C-12.

For a while it looked as if that bill would not get final reading this fall, but now we understand there is a good possibility it will. If this does go forward, we have assurances this will help address the problem the member is referring to.

Mr. Rae: Can the minister at least make an effort to report back as quickly as possible with respect to the CCM situation? Can he give the House the assurance that the workers at CCM will receive some severance pay and will not take second place to the bank and will not be entirely left out in the cold as a result of the purchase of some assets of the CCM firm by Procycle Inc.? Can he give us that assurance?

Hon. Mr. Ramsay: Certainly the employment standards branch has been very aggressive in attempting to protect workers' rights and the money owing to them in the various bankruptcies and receiverships that unfortunately have been taking place this past year. Every effort

will be made to protect the rights of the workers in respect to CCM.

Mr. Sweeney: Mr. Speaker, in the light of the answers the minister just gave, is his ministry about to take any action on those companies that wind up leaving their employees owed considerable amounts of money and then turn around and start another company?

I am referring specifically to Imicon Construction of Burlington, which left owing its employees \$130,000 and then the same people turned around and started another company called Imitech. The minister will recall I asked him once before about this type of situation. I understood that in fact something was happening, but it does not appear that it is.

Hon. Mr. Ramsay: Mr. Speaker, the particular firm the member has referred to is being investigated at this very time under the Employment Standards Act. I would hope to have some information for him in that respect, possibly later this week or next week.

Mr. Rae: The fact remains that the minister, through the speech from the throne, made a promise to this House which has not been kept with respect to severance pay legislation.

I would simply ask the minister how he feels about the fact that from January 1981 to September 1982, of the 51,452 permanently laid off workers, only 3,421 were eligible for statutory severance pay in Ontario, and of these, 1,535 did not receive any severance because their firms were insolvent.

Does the minister not think it is now urgent for the government of Ontario to act to start protecting workers being affected by these bankruptcies and receiverships?

Hon. Mr. Ramsay: The member used those figures not too long ago in the Legislature. I pointed out to him at that time that it certainly was a matter of concern and is something we are attempting to address.

PROVINCE OF ONTARIO SAVINGS OFFICE

Mr. Conway: Mr. Speaker, my question is for the Minister of Consumer and Commercial Relations. Is the minister aware that as of this date, and for many weeks and months prior to this date, no less an agency than the Province of Ontario Savings Office has been acting as an agent in the marketing of certificates of Greymac Mortgage and Seaway Trust?

For example, is the minister aware that when the senior citizens' club in the city of Pembroke

went into the local savings office operated in the name of and by the province of Ontario, they were encouraged to take out a guaranteed investment certificate in the name of Seaway Trust, because, I might add, of the very attractive interest rates on Seaway Trust certificates which today are running about 2.5 to three percentage points above much of the rest of the market?

Hon. Mr. Elgie: Mr. Speaker, it is my understanding that the provincial savings bank of Ontario offers GICs on behalf of any trust company that wishes to have them offered to the public. I do not think there is anything at all unusual about what the provincial savings bank does in that it offers the same services to trust companies licensed to operate in this province. If the member is implying there is anything improper about that, I would like to hear the exact message he is giving me on it.

Mr. Kerrio: What about Re-Mor and Astra?

Hon. Mr. Elgie: No, we will deal with children's hour later and get to the member.

I would seriously hope that in his message he is not trying to tell the senior citizens he referred to who purchased those GICs that they should have any fear or concern. The member knows and I know that standing behind those deposits is the Canada Deposit Insurance Corp. I would not want anybody to get that interpretation.

Mr. Kerrio: It was not the children who invested in Re-Mor and Astra Trust; it was elderly people.

Mr. Speaker: Order.

Mr. Conway: Would the minister not agree that much of the land office business that apparently the savings office is doing in this respect can be traced to the unusually attractive rate of interest that Seaway Trust is offering, a rate which I repeat is running about 2.5 to three percentage points above much of the rest of the market?

Can the minister indicate what he knows about who gets the commission as a result of the placement of these accounts? Is there a policy at the Province of Ontario Savings Office as to whether or not the salesperson receives the commission, which I understand is particularly attractive as offered by Seaway and Greymac, or does it revert to the credit of the consolidated revenue fund?

Hon. Mr. Elgie: I have no knowledge of any arrangements. The member may wish to direct that question to the Treasurer (Mr. F. S. Miller) or the Minister of Revenue (Mr. Ashe).

Mr. Conway: Mr. Speaker, I would be happy with your permission and the indulgence of the Minister of Consumer and Commercial Relations to so request the Minister of Revenue, under whose auspices this agency falls. Can the minister indicate what the position of his office is with respect to the commission? Who receives it? Is it the consolidated revenue fund or does it fall to the benefit of the salesperson?

Might he indicate what, if any, advice he is prepared to tender to his colleague the Minister of Consumer and Commercial Relations with respect to what is going on in the marketing of these Seaway and Greymac notes, particularly the Seaway notes which of late apparently are unusually attractive? What is government policy in that respect, from his point of view?

Hon. Mr. Ashe: Mr. Speaker, the Province of Ontario Savings Office does act as agent for many vehicles of investment because we do not market them on our own. We have the traditional chequing-savings account and that is all, so it is not unusual to offer vehicles of all other corporations that operate through an agency system.

Many of the banks, etc., do not. For example, one cannot buy a vehicle from the Canadian Imperial Bank of Commerce through the Province of Ontario Savings Office because it only does them direct. There are no commissions that accrue to the staff of the bank. They are all on salary. They accrue to the operating revenues of the particular branch and hence ultimately back to the consolidated revenue fund.

3 p.m.

Mr. Rae: Mr. Speaker, I know the minister is reluctant to get into this question with respect to the conduct of any particular company, but I do think it is important since the minister himself has raised the question of evaluations on page three of his statement. Is he saying in answer to the question from the member for Renfrew North that he is satisfied with the way in which Seaway Trust has evaluated properties on which it has taken out mortgages? Does he have entire confidence in the way in which that firm is now being managed? Is he saying he thinks those GIC investments are sound?

Hon. Mr. Elgie: No, Mr. Speaker, I am saying exactly what I said and I do not mind repeating it. I said very clearly the issues related to value are inherently involved in the Morrison special examination. I was pointing out to the member for Renfrew North that GICs are protected within the limits of the legislation by the Canada Deposit Insurance Corporation.

LAND USE PLANS

Mr. Laughren: I have a question for the Minister of Natural Resources. I wonder if the minister could tell us why progress in his ministry, on a wide range of important issues, has ground to a halt?

Specifically, why do we not now have a wetlands policy, despite the fact it was promised? Why do we not have a new Aggregates Act? Why has there been no designation of new wilderness parks in the province? Why have the results of the woods utilization study not been tabled? Why has no decision been made on the environmental assessment exemption? Why has there been no report tabled on the one-industry communities? Why has no decision been made on the Killarney Provincial Park boundaries and other issues? Why has no decision been made on the Reed Paper tract of land in northwestern Ontario? Why has no commitment been made to reimplement the master parks planning process within his ministry?

When is the minister going to get control of his ministry and occupy himself with these major issues on which decisions should already have been made?

Hon. Mr. Pope: If the member can send me over that list of questions—

Mr. Speaker: Order. I am sorry. We are having difficulty hearing because of the private conversations and I would ask the members please not to carry on private conversations.

Hon. Mr. Pope: I did not hear all of the questions, but let me reply to some of the issues.

Mr. Speaker: The honourable member is entitled to ask one question and he asked many.

Hon. Mr. Pope: It is no problem, as long as I can take my time in answering, because I have a number.

The honourable member knows that we started our land use planning process 10 years ago, that we spent 10 years accumulating data, and that I indicated in 1981 we wanted to bring it to a resolution by December 1982. We have had 130 open houses with 10,000 people attending and giving us their personal ideas. We have had seven public forums with approximately 5,000 people attending to address issues involving parks creation, boundary issues with respect to parks, other forestry practices and land use planning practices.

The honourable member knows all of these have taken place. He knows I have been involved in them. He knows we are in the process of making decisions in accordance with our own

guidelines and deadlines. Incidentally he is the one who wants to extend the deadline on land use planning and parks decisions.

Mr. Laughren: I do not.

Hon. Mr. Pope: Oh, yes he does. That is what he was saying to Mr. Fahlgren in northern Ontario.

Mr. Laughren: No.

Hon. Mr. Pope: The honourable member knows very well why there has been no legislation introduced in this House this session. It lies on that party's doorstep and no one else's.

Mr. Laughren: This honourable member also knows that what the minister has just said is not factual.

I will try to be very precise, Mr. Speaker, because this is the minister who not only does not answer oral questions but does not even answer questions that are put to him on the Order Paper. I will be very precise with the minister concerning the whole question of management of our forests and environmental assessment.

How is it the minister still has not complied with those conditions which were imposed upon his ministry when it was granted the environmental assessment exemption back on April 1 of this year? Why is it that the minister has not, for example, received all of the 80 operating and management plans from the private sector which indicate how they are going to manage the forests in Ontario? Could he tell us, for example, how many of those he has received and how many he has passed on to the Ministry of the Environment?

Finally, does the minister understand that if he gets an extension of the environmental assessment exemption, he is undermining the credibility of the entire environmental assessment process in Ontario? When is the minister going to exercise his ministerial responsibility in this regard?

Hon. Mr. Pope: Mr. Speaker, I intend to exercise my ministerial responsibilities under the statutes that give me power to do so. I am exercising my ministerial responsibility. The member should look at the Public Lands Act, the Crown Timber Act, the Mining Act, all those acts that give me responsibility to make decisions for our forest resources, our mineral resources and our public lands resources. I am making the decisions.

He should look back at the progress that has been made in meaningful consultation with respect to forest management agreements, 20-year

operating plans and five-year operating plans, the open houses that have been held and the discussions that have taken place throughout the province. He should look at our utilization studies and the progress we have been making in that area. He should look at what we are doing in new products development in our forestry industry; all the progress that is being made, all the consultation that is taking place. If he did, the member would realize he does not know what he is talking about.

Mr. Conway: Mr. Speaker, a supplementary to the first question of the member for Nickel Belt about park planning. Perhaps the Minister of Natural Resources would help me and the good people of Renfrew county to understand when the promise made by no less a person than the Premier (Mr. Davis) will be kept. He will recall that in the winter campaign of 1980-81 the Premier came to my great part of the province and said there would be a whitewater park on the Madawaska River near the great community of Griffith.

A year after the promise was made, the ministry office in my area indicated there was no money and the whole plan would have to be put off. I am wondering if the minister might specifically indicate to the people of Renfrew county when the promise made by the Premier in 1981 with respect to the whitewater park on the Madawaska River will be kept.

Hon. Mr. Pope: Mr. Speaker, members of our cabinet have been on the scene examining that whitewater park candidate. We have obtained information. I assume the member also supports the acquisition of the Shaw estate that took place just three months ago with respect to a new park facility in the Westmeath area. I assume he is glad we kept that promise. If he had taken the time to go to the open houses, which he has not done, if he were really concerned and interested in looking at that candidate park, he would know it has been decided for 1983. The member has not shown any interest in our planning processes. He does not know what he is talking about, and he should go back and learn about it.

Mr. Laughren: Mr. Speaker, my final and brief supplementary—

Mr. Speaker: That was the final supplementary.

REGINA V. VALENTE

Mr. Breithaupt: Mr. Speaker, I have a question of the Attorney General, following the publicity given to the comments of provincial

court Judge William Sharpe and provincial court Judge Reid Scott as to the matter of their independence. Has the Attorney General moved to place this issue before a superior court? If so, which one, and when does he expect the matter will be heard?

Hon. Mr. McMurtry: Mr. Speaker, we will be applying for leave to appeal to the Court of Appeal on Thursday of this week.

Mr. Breithaupt: Is that leave to appeal with respect to a reference under the Constitutional Questions Act, or is it the ordinary case of moving where a judge has not made a decision under the mandamus approach?

Hon. Mr. McMurtry: No, we have not rejected the possibility that was discussed in the estimates of the other procedure. We have looked at the decision of Judge Sharpe very carefully and we figure it can be argued that it was a judgement within the meaning of the Provincial Offences Act. On Thursday we are asking for leave to appeal to the Court of Appeal. If that is not successful then we will consider any other options that may be available to get this matter into a higher court for an authoritative decision as soon as possible.

3:10 p.m.

Mr. Renwick: Mr. Speaker, perhaps the Attorney General, instead of taking this very narrow view of the question, would consider particularly the statement made by Judge Scott. It is not limited to the Provincial Offences Act but to all of the judicial decisions of that judge and others who think alike. Would the minister now consider that and refer the whole matter under the Constitutional Questions Act to the Court of Appeal so there will not be the unsettlement and the disruption of the administration of justice which is forecast by this important question?

Hon. Mr. McMurtry: We are not underestimating the potential seriousness of this matter. Judge Scott's statements were not in reference to any particular case and that poses some difficulty. But while we are certainly aware of your concerns and your suggestions, we think at this time this is the best route to follow. We agree it is important to obtain, if at all possible, an authoritative judgement on this matter as soon as possible.

I was advised this afternoon that this argument was made before two other provincial court judges today—the purported lack of independence—and it was rejected by both these judges.

ONTARIO ARTS COUNCIL GRANTS

Mr. Di Santo: Mr. Speaker, I have a question of the Minister of Citizenship and Culture. My question follows the question asked by my leader on December 2 about the present cutbacks to the Ontario Arts Council of 15 per cent of their budget.

The minister has now had almost three weeks to think about the letter and the following events. He must be aware of the uproar the announcement caused among the arts organizations in Ontario—from the Ottawa Symphony Orchestra to the Tarragon Theatre to small organizations like the Kaministiquia Theatre Laboratory in Thunder Bay, which is the major cultural institution of that kind in northern Ontario. Can the minister tell the House now if he fully understands the devastating effects of the cutback on those art organizations?

The minister said on December 13 to the Opera America International Conference that the arts constitute a major industry in Ontario and they are even more important than the steel and the pulp industry. The cutback will not only reduce employment but will destroy an artistic setup that will be extremely difficult to rebuild. Also it will amount only to one quarter of one per cent of the total provincial budget. In view of these points can the minister make a commitment to this House now that the cutback will not take place? It is unjust and will destroy very vital aspects of the life of this province.

Can the minister tell us if he has been able to convince his colleagues on this point? They may not understand the arts in general but certainly must understand that this is not the time to create more unemployment in Ontario?

Hon. Mr. McCaffrey: Mr. Speaker, I will try to do justice to that long and important question. My colleagues in the Ontario government do not need any convincing that the arts are important. One can witness the moneys made available to the Ministry of Citizenship and Culture and to the Ontario Arts Council since 1963. The record is there and it speaks for itself.

Over the last three weeks, since the member's leader raised the question, I have had time to rethink the matter. I think the people of the arts council and its immediate constituent groups also have had the opportunity not only to rethink it but to do some impressive lobbying. I support their endeavours to the extent that culture is an important job creation economic tool in our province. That is one of the reasons

we as a government have made that support a priority for some 20 years now.

On the other hand I think the arts council and its constituent groups have had an opportunity to rethink the circumstances all of us are in today, that is, the economic restraint that impacts on everyone. I think it is important to understand two things from my point of view. Quite properly, the arts council is an independent, autonomous agency of the ministry, for reasons every single person in this chamber understands, but it is not adequate for the arts community to think it can exist in isolation from the economic realities that impact upon every other man and woman in this province.

I will repeat what I said three weeks ago. When the final determinations are made, and the budget is divided up among the agencies and the divisions of my ministry—and, quite properly, that will be made public as soon as it is done—we will have an opportunity to see the kind of exercises we went through in the ministry. There is no question the arts council will get the best possible treatment we can muster for them.

Mr. Allen: Mr. Speaker, it is very interesting to hear the honourable minister say the record speaks for itself and that he will do everything possible for the arts community, but he must realize that, for example, the Hamilton Philharmonic Orchestra over four years has only received a 13 per cent increase in its grants. He knows very well the difficulties in raising private funds that the Dundas Valley School of Art has endured recently. If he does a little arithmetic he will realize that the restraint program had at least a nine and five formula, for the arts we have a five per cent and a minus-15 per cent formula.

Those people in the arts community are working people like others in the economy. Surely it is essential for that ministry to treat them at least within the same guidelines, so that the horn players and the violinists of Orchestra London, the Hamilton Philharmonic or the Thunder Bay Symphony Orchestra, which will go into demise if his formula is applied, are treated on the same basis. It is essential to provide equitably for the arts.

Hon. Mr. McCaffrey: With regard to the observation that some simple arithmetic would be in order, the Ministry of Culture and Recreation, and now the Ministry of Citizenship and Culture, have made available some \$300 million to cultural groups in this province since 1975. Second, for the record, the Ontario Arts Coun-

cil has made available to artists in this jurisdiction something in the order of \$70 million in the last decade. There is not a jurisdiction in North America that has made that kind of cultural investment. So much for simple arithmetic.

Now let me speak to the matter of the 15 per cent cutback. That is a piece of mythology that is being perpetuated by people in the arts council and many of its constituent groups. There will be some cutbacks for self-evident reasons. That has been in all the papers. Taxpayers are under a lot of pressure, but the arts community in this province will be treated as fairly as it is possible to treat it. The record of this government for 20 years speaks to that.

Mr. O'Neil: Mr. Speaker, how can the minister say on one hand he supports the endeavours of these people asking to be kept on a level or to get more funds, and on the other hand that they will not get as much.

3:20 p.m.

Surely the minister must be aware of the number of letters, calls and meetings we are having with arts groups across this province. They are afraid that if he puts into effect the 15 per cent cutback, that coupled with the inflation rate will cut them back so much a lot of those groups are going to have to close down completely. Surely the minister should be giving more support and asking for more support from the Premier (Mr. Davis) and the members of the cabinet to see that does not happen in this province.

Hon. Mr. McCaffrey: Mr. Speaker, the critic raises a perception here that I frankly think is unfair to the arts community. The perception is that the arts community spends all its working hours asking government for money. The fact is it does not.

Mr. O'Neil: Mr. Speaker, I did not say that and I did not imply it.

Mr. Speaker: Order. I do not think the member implied that. He said there was a general feeling.

Hon. Mr. McCaffrey: There is a broad perception that the arts community spends an inordinate amount of time asking all three levels of government for financial assistance.

That governments have played a major part in funding artists and art organizations is an obvious fact. If we had all the money in the world—and we do not—we would still be asking artists, art galleries, museums, symphony orchestras such as the Hamilton Philharmonic, opera companies and others to market their good

products a little more aggressively with our assistance. This would be quite right and proper in this economic environment.

In the ministry, through 1983, we will be hosting a series of seminars and working with our client groups in approaching corporations—

Mr. Martel: Never mind the seminars, just give them the money.

Hon. Mr. McCaffrey: The member for Sudbury East knows about corporations.

We will be working with our client groups in approaching corporations that have great sensitivity to community activities, asking them to play a role of support, trying to market their talents to private donors.

It is not just a question of us writing more cheques. They will get the best possible assistance we can give, but we will ask them to work with us in helping to market their products, to reach out for bigger audiences, whether it is the Quinte School of Dance, the Hamilton Philharmonic or the Canadian Opera Company. With our assistance, all of them can sell their product a lot more effectively.

METROPOLITAN TORONTO POLICE PRACTICES

Mr. Roy: Mr. Speaker, my question is for the Solicitor General. I wonder if he might tell us whether he approves of the practice of the Metropolitan Toronto police in a recent promotion? In the last while, apparently under a scheme for promoting a movie called Best Friends, they have infringed on the liberties of individuals and have stopped drivers to give what was called a safe driver citation along with a couple of tickets to this movie.

Would the Solicitor General tell us whether he approves of this practice? If not, as Solicitor General in charge of the police in this province will he be sending the strongest message possible condemning such actions on the part of the police?

Hon. G. W. Taylor: Mr. Speaker, no, I would not send such a document to the police on behalf of this Legislature or on behalf of the Solicitor General. I think the police are doing an admirable job in regard to the drinking and driving program we are in at this time of year and throughout the year.

The Attorney General (Mr. McMurtry) and the Premier (Mr. Davis) have instituted a task force on drinking and driving and this is all part of that drinking and driving program. I also think the police are doing a community service.

They do not often get an opportunity to stop people, tell them what good drivers they are and reward them.

The honourable member is attacking a situation that is very positive towards the citizens of this country in recognizing their driving habits. I see nothing wrong with an officer stopping somebody and patting him on the back. If the member is against something positive in our society, then please say so, but I think this is one for which the police can be applauded. They are saying: "Thank you very much. Go to a theatre on us. What fine fellows, officers and gentlemen, we are."

Mr. Roy: I must say I can hardly understand the response on the part of the Solicitor General. Does he not understand that when we give specific duties, specific rights or obligations to the police to infringe on the liberties of individuals, for very specific purposes, for instance to enforce safe driving laws or mechanical fitness of motor vehicles, that infringement of liberty should be used for the specific purpose?

Does the minister not see the infringement should not be made for the purpose of promoting private enterprise? Does he not see something wrong in using public funds for the police of Ontario to get involved in private enterprise? As has been said in many press columns, from now on what will stop the police from encouraging us to buy at Loblaw's or to have signs on cars promoting one movie rather than another? Does the minister not see that it undermines the respectability and credibility of police forces to be involved in this sort of activity?

Hon. G. W. Taylor: I think the member is taking a situation of rewarding individuals in this community and stretching it far beyond reason. When somebody describes this as a breach of civil liberties he is playing legal gymnastics with the Constitution and what may be characterized as civil liberties.

I am sure the member, who is a practising lawyer, is aware that a police officer may stop drivers of motor vehicles from time to time and make safety checks. Indeed, we have the reduce impaired driving everywhere program in Toronto and the selective traffic enforcement program in Ottawa, with which he is familiar. This is an extension of those. I think it is good community liaison by police officers to reward those citizens for their good driving habits, just as from time to time they have to give them disincentives for their bad driving habits.

Mr. Breithaupt: Fiddle faddle.

Mr. Speaker: Final supplementary, the member for Riverdale.

Mr. Renwick: Mr. Speaker, even I cannot think up a supplementary to that.

SUSPENSION OF CORRECTIONAL OFFICERS

Mr. Renwick: Mr. Speaker, my question is to the Minister of Correctional Services. I refer to the suspension of six correctional officers on December 10, pursuant to section 22, regulation 18, under the Public Service Act, as a result of the incident that occurred at the Metropolitan Toronto East Detention Centre.

When is the investigation going to be completed? When is the suspension going to be raised? Are they to be restored to their pay as quickly as possible?

Hon. Mr. Leluk: As the member for Riverdale is aware, the suspension is now for up to 20 working days for the six correctional officers in question. The investigation is proceeding and we hope it will be completed before the 20-day suspension is up. Pay will be restored depending on whether disciplinary action will be taken at the time the investigation is concluded.

Mr. Renwick: Mr. Speaker, the six correctional officers are charged under the Criminal Code in the courts, and the Charter of Rights states that everybody is to be presumed innocent until proven guilty according to law in a fair and public hearing by an independent and impartial tribunal. In view of this will the minister now revoke either the suspension, or the suspension of pay, in order that these officers will not be subject to double jeopardy?

Hon. Mr. Leluk: My answer to that question is that I will not revoke this decision. Subsection 22(1) of the Public Service Act provides for the suspension of an employee, pending an investigation, for periods of up to 20 working days, subject to renewal, and for the withholding of the employee's pay. Clearly, this legislation recognizes that certain situations warrant the removal of an employee from the work place and from the payroll even though the matter is still subject to investigation.

I would like to point out to the member for Riverdale, who is learned in the law, that I have been advised by our legal counsel that this provision and our actions in following it are in compliance with the new Charter of Rights and do not in any way violate that charter.

TRANSFER OF TRANSPORT LICENCE

Mr. Cunningham: I have a question for the

Minister of Transportation and Communications relating to the application by a United States carrier, Roadway Express, to acquire the international operating licence of Harkema Express Lines Ltd. of Brampton. Is the minister aware that this licence has been dormant for a year and a half, and will the minister use the provisions of section 12, I believe, of the Public Commercial Vehicles Act to cancel Harkema's dormant licence?

3:30 p.m.

Hon. Mr. Snow: Mr. Speaker, I believe the section to which the honourable member refers, as was pointed out in the letter that all members received from the Ontario Trucking Association, would not allow me to cancel its licence but would allow me to refer it to the Ontario Highway Transport Board for a hearing. I realize the Harkema licence has not been active for some period of time, as the matter has been before the Foreign Investment Review Agency for the past year and a half or so awaiting a decision, which has just now been received.

I am taking under advisement the suggestion I have received from the Ontario Trucking Association, and I am asking my legal advisers to look into that suggestion. I have not made any decision on that yet. I do expect, though, since the FIRA approval has been given by the federal government, that Roadway will be making an application to the highway transport board for the transfer of the licence. If it does, I am sure there will be a public hearing on that application.

Mr. Cunningham: In view of the fact that the licence has not been utilized for the past year and a half, will the minister not regard it to be dormant and will he not make a request to the board under the appropriate provision of the act for a hearing to determine whether it is dormant and whether the licence is at an end?

Hon. Mr. Snow: I cannot really add any more. I said I am asking the legal officers of the ministry to look into that provision of the act and to advise me on that matter. I am sure the member knows there are a great many cases where licences or parts of licences are dormant, and it has not been our policy in the past to ask for a hearing every time a licence is dormant for a period of time.

EMPLOYEE HEALTH AND SAFETY

Mr. Martel: Mr. Speaker, I have a question for the Minister of Labour. On November 29 the minister made a statement in the House con-

cerning the matter raised by the New Democratic Party involving the Essex County Board of Education, which required that women employees undergo internal examinations and chest measurements to gain employment. The minister's statement said, "The board of education has agreed to eliminate internal examinations and chest measurements and to make its medical examinations, both pre-employment and post-employment, job related."

Is the minister aware that the Windsor Board of Education intends to continue the practice of requiring this type of examination but states that it will be optional, which means that those women who do not subject themselves to it will not get jobs? Will the minister intervene and advise the board that we will no longer tolerate those types of examinations in Ontario?

Hon. Mr. Ramsay: Mr. Speaker, I will be pleased to follow up on that matter.

Mr. Martel: The lawyer for the board has advised the board, and let me just quote one part of a sentence: "There is nothing in the code or in any regulation currently in force thereunder which limits the extent of the physical examination."

Will the minister either introduce an amendment to the Human Rights Code or at least bring in some regulation under that or any other act that would prohibit this sort of examination from going on anywhere in this province, and let us put it to bed once and for all?

Hon. Mr. Ramsay: It was my understanding that in the previous discussions we had with the Essex board they had voluntarily decided to withdraw this type of examination, and whenever we can effect something on a voluntary basis, I feel that is certainly much more practical than trying to bring in legislation or regulations for everything that controls our lives these days.

ASTRA/RE-MOR

Mr. Bradley: Mr. Speaker, my question is to the Minister of Consumer and Commercial Relations, who has the opportunity to provide a Christmas present for the people—

Interjections.

Some hon. members: He's back.

Mr. Rae: I guess there is no vote today.

Mr. Bradley: I guess they are not interested in the Re-Mor victims. I thought the member for York South (Mr. Rae), when he was on television in the federal House, was interested.

The minister has had in his possession since

June or July what I call a report and he calls a letter from the Ombudsman, and the Ombudsman has indicated he is prepared to have the minister release that report.

Since the standing committee on administration of justice recommended compensation for the Re-Mor depositors, since apparently the Ombudsman recommended it and since it is the Christmas season—for all those reasons, is the minister prepared to announce in the House today that the government is ready to provide compensation to the victims of the Re-Mor scam and cease the court proceedings that have been necessary up to this time?

Hon. Mr. Davis: Are you ready to vote on Bill 179 yet?

Hon. Mr. Elgie: What is his vote? Does he have a position on Bill 179?

Mr. Speaker: Will the minister please address himself to the question?

An hon. member: Be careful.

Hon. Mr. Elgie: Be careful?

Hon. Mr. Davis: Be very careful.

Hon. Mr. Elgie: I will be careful.

Hon. Mr. Davis: Don't embarrass them.

Mr. Bradley: We are talking about Re-Mor.

Mr. Rae: He has a position. It is called absent.

Hon. Mr. Elgie: I will take the Premier's advice, and I will not try to embarrass anybody, any time. I do not think so—well, I may some time.

Mr. Rae: Absence makes the heart grow fonder.

Hon. Mr. Elgie: I want to make it clear, because there was an intimation that the government and this minister in particular had received a final report from the Ombudsman, that this is not so; it has never been so. The honourable member should not try to leave the impression with anybody that it has been so.

There has been a letter from the Ombudsman under section 19, saying it is open to me to conclude that. As the member knows, that leads to a process of discussion and so forth. That is the stage it is at. There has been no letter of recommendation.

The government is currently in the process and should have a response for the Ombudsman shortly. I would expect recommendations to cabinet to follow that in the near future.

Mr. Bradley: The minister probably is aware that the court proceedings are unlikely to proceed to any significant stage; I guess the

earliest would be next summer if we are to believe the reports emanating from those with the legal counsel for the victims. According to the Ombudsman's testimony before the committee, two of the people who were victims of this scam have died. Others are not necessarily in the best of health.

Will the minister assure the House that, having taken the action he has at present, an announcement will be made at the earliest opportunity and that the court cases will be dealt with by means of a settlement outside of court so that all the victims, whether they have gone through the court process or the political process, will have the same opportunity for compensation should he conclude that is what they should receive?

Hon. Mr. Elgie: I can assure the member that we will move expeditiously in this regard. Clearly the other matters he has referred to relate to the discussions I have had with the Attorney General (Mr. McMurtry) and relate to individual Re-Mor investors' rights and privileges to do what they wish. Those matters are part of the issues we are resolving. I will continue to try to expedite the whole process.

Mr. Speaker: The time for oral questions has expired. The member for London North.

Mr. Van Horne: Mr. Speaker, I appreciate your recognizing my standing here. I am really perplexed as to whether this is a point of order or a point of privilege, but it is a serious point and a question I should address to either the Minister of Northern Affairs (Mr. Bernier) or the Minister of Municipal Affairs and Housing (Mr. Bennett). It is not as much a question as a point. It is that when we—

Mr. Speaker: Is it a point of privilege?

Mr. Van Horne: A point of privilege.

Mr. Speaker: It is not a question.

Mr. Van Horne: No, I am sorry. The question came in my mind and it comes out as a point of privilege.

I really do feel it affects my privileges as a member who sits here day after day trying to understand how the government spends money as it does, trying to understand how it could spend more than \$45 million on Minaki Lodge, and then announce in the publication Background that any members of the Association of Municipal Clerks and Treasurers of Ontario who are interested in meeting at Minaki in May 1983 should refer their wishes to lodge operators in Winnipeg, Manitoba. How in heaven's name—

Mr. Speaker: Order, please. The member for London North knows that is not a point of privilege.

Mr. Van Horne: Is that how it is being supported? By sending them to Manitoba? The government ought to be ashamed.

Mr. Speaker: Order.

3:40 p.m.

PETITIONS

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT BILL

Mr. Brandt: Mr. Speaker, I beg leave to present a petition signed by 98 constituents from that great riding of Sarnia requesting the withdrawal of Bill 127.

[Applause]

Hon. Mr. Davis: Mr. Speaker, I want to be here for the vote on that bill.

Mr. Speaker: Order.

Mr. Bradley: I will be here for the vote on your jet. You weren't here for the vote on your jet.

Mr. Piché: All he has on his mind is the jet.

An hon. member: When he looks at you, it becomes a water bomber.

Mr. Foulds: Name him.

Mr. Speaker: Order.

[Later]

Mr. Van Horne: Mr. Speaker, I am very pleased to present to the House a petition on behalf of the citizens of London South who are very concerned about Bill 127 and are seeking that it be withdrawn.

RENT CONTROL

Mr. Cassidy: Mr. Speaker, I beg leave to table a petition signed by 1,000 tenants from the six Ottawa-area ridings and addressed to the government and specifically to the Premier. It reads as follows:

"A tenants' petition to Mr. Davis and the government of Ontario about guidelines:

"Dear Mr. Davis:

"Our wages are being controlled; please control our rents to the same extent.

"Yours sincerely."

REPORT

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Mr. Treleaven from the standing committee

on administration of justice presented the following report and moved its adoption:

Your committee begs to report the following bill with certain amendments:

Bill 198, An Act to provide for an Interim Restraint on the Pass Through of Financing Costs in respect of Residential Complexes.

Motion agreed to.

Ordered for third reading.

MOTIONS

STANDING COMMITTEE ON PROCEDURAL AFFAIRS

Hon. Mr. Wells moved that the standing committee on procedural affairs be authorized to meet this afternoon, Tuesday, December 21.

Motion agreed to.

PUBLICATION OF WRITTEN QUESTIONS

Hon. Mr. Wells moved that written questions appear on the daily Notice Paper the day after they are tabled, and every subsequent day in the week they are tabled, and then subsequently only each Monday until an answer, other than an interim answer, is tabled.

Motion agreed to.

HOUSE SITTINGS

Hon. Mr. Wells moved that, notwithstanding standing order 3(a), the House will continue to sit through the dinner recess today.

Motion agreed to.

ADJOURNMENT OF HOUSE

Hon. Mr. Wells moved that when the House adjourns today it stand adjourned until January 17, 1983, provided that if it appears to Mr. Speaker, on the advice of the government, that the public interest requires the House to meet at an earlier time during the adjournment, Mr. Speaker may give notice and thereupon the House shall meet at the time stated in such notice, and that, should Mr. Speaker be unable to act owing to illness or other cause, the Deputy Speaker or the Deputy Chairman of the committees of the whole House shall act in his stead for the purpose of this order.

Motion agreed to.

INTRODUCTION OF BILLS

LOAN AND TRUST CORPORATIONS AMENDMENT ACT

Hon. Mr. Elgie moved, seconded by Hon. Mr.

Baetz, first reading of Bill 212, An Act to amend the Loan and Trust Corporations Act.

Motion agreed to.

Hon. Mr. Elgie: Mr. Speaker, in view of the statement I made earlier today on this proposed legislation, I do not think a lengthy statement on first reading is necessary. I will limit my comments to pointing out that the bill is intended to provide powers to deal with two situations that could arise before we were able to deal with them in a general revision of the Loan and Trust Corporations Act.

The following are the general areas covered by the bill:

First, the bill will require the consent of the registrar appointed under the act for the transfer of 10 per cent or more of the shares of a corporation or of a holding company that holds more than 10 per cent of the shares of an Ontario loan or trust corporation.

Second, the bill similarly requires consent for the transfer of any number of shares in a loan or trust corporation where the transfer will result in a shareholder holding 10 per cent or more of the shares or in an increase of his holdings if he already holds 10 per cent or more.

Third, the bill will enable the Lieutenant Governor in Council to authorize the registrar to take possession and control of a loan or trust company in a more expeditious manner and for a wider number of reasons than is possible under the existing act. It will also authorize the imposition of terms and conditions on the operations of a company where it is not considered necessary to take possession and control. The addition of these powers recognizes a number of circumstances where the public interest may require prompt action.

Fourth, there are provisions to provide for the more effective enforcement of the act.

Let me emphasize that I believe it is most prudent to proceed to pass this bill without delay on the clear understanding that an ongoing review of the act will include a review of matters raised in this bill.

MINISTRY OF COLLEGES AND UNIVERSITIES AMENDMENT ACT

Hon. Miss Stephenson moved, seconded by Hon. Mr. Bernier, first reading of Bill 213, An Act to amend the Ministry of Colleges and Universities Act.

Motion agreed to.

WINDBREAKS PROTECTION ACT

Mr. McGuigan moved, seconded by Mr.

Riddell, first reading of Bill 214, An Act for the Protection of Windbreaks.

Motion agreed to.

Mr. McGuigan: Mr. Speaker, the bill provides that where a person injures or removes a tree planted in a windbreak and is convicted of trespass or theft in connection with injury to or removal of the tree, the court may require the person to replace the tree.

3:50 p.m.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, I wish to table the answers to questions 292, 298, 314, 549 to 589 inclusive, and 617 to 643 inclusive, on the Notice Paper [see Appendix A, page 6455]. In view of the length of some of these responses, I am going to ask several of the pages to deliver the documents to the Clerk's table.

In doing this today, since it is likely the last day before the Christmas recess, I might say there were 689 questions put on the Notice Paper. So far we have answered more than 400, which is almost more than the total number of questions asked in any previous session.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, in the light of the introduction of the bill by the Minister of Consumer and Commercial Relations (Mr. Elgie) today, we will be changing the order as it appears on the Order Paper. By motion the House has decided to sit through dinner recess and, instead of considering order 61, House in committee of supply on the estimates of the Lieutenant Governor, Premier and Cabinet Office, when we reach that point on the Order Paper we will consider second reading, committee of the whole and third reading stages of the bill just introduced.

Mr. Nixon: Mr. Speaker, when does the minister want to do Bill 199, An Act to amend the Law Society Act? I am not pressing it; we will do it when the minister says, but I want to know when to be ready.

Hon. Mr. Wells: Mr. Speaker, we will do Bill 199 right after second reading of the bill of the Minister of Consumer and Commercial Relations, so that the member can be ready with his speech.

ORDERS OF THE DAY

THIRD READINGS

The following bills were given third reading on motion:

Bill 188, An Act to amend the Assessment Act.

Bill 191, An Act to provide for the continuation of the Provisional County of Haliburton as the County of Haliburton.

Bill 205, An Act to amend the Workmen's Compensation Act.

RESIDENTIAL COMPLEXES FINANCING COSTS RESTRAINT ACT

Hon. Mr. Elgie moved third reading of Bill 198, An Act to provide for an Interim Restraint on the Pass Through of Financing Costs in respect of Residential Complexes.

Mr. Philip: Mr. Speaker, I simply want to say a few words about this bill on third reading. It was pointed out clearly by the Federation of Metro Tenants' Associations last night and by tenants' groups appearing before us yesterday afternoon and last evening that this government plans to restrict wage increases in the province without any kind of equivalent controls on rents.

The Federation of Metro Tenants' Associations pointed out that despite the initiatives of this bill, the picture for most tenants remains bleak at present. It went on to say, "We believe it is significant that the government seems to agree with the federation's assessment of the situation facing tenants, and yet this is the only explanation for the steps that are now taken by the minister in this bill." It goes on, though, to point out, "The steps that are being taken, while they may assist some tenants, are clearly inadequate."

Our leader, the member for York South (Mr. Rae), gave certain examples in this House, examples that are quite similar to examples that I as the housing critic have been pointing out over the last few years.

There was 304 Kingston Road, bought in April 1981 for \$240,000. The first-year increase with a three-year pass-through will amount to 49.4 per cent; the first-year increase with a five-year pass-through would amount to 37.9 per cent.

There was 172 Queens Avenue in Mimico with six units—a 63.5 per cent pass-through or, on a five-year pass-through, 55 per cent.

There was 40 Earl Street—23.3 per cent. That is under appeal; we do not know the results of the appeal, because the landlord refused to identify the real owners of this numbered company.

There also was 34 Gulliver Road—30.3 per cent.

What I am pointing out is that this bill, while it may save some tenants some costs, clearly is inadequate. This came across over and over again from the tenants' representatives and from the legal aid groups that act on behalf of tenants.

Last night we in this party moved a number of amendments. First of all, we asked for the disclosure of ownership. This is not a new issue to this party. We had moved it in a different act in 1977 only to have it defeated under the minority government. If disclosure had taken place at that time, perhaps the present situation that we are in with Cadillac would not exist.

The New Democratic Party moved an amendment to require the disclosure of all beneficial owners of more than five per cent of the shares of a corporate owner of rental residential property, and failure to disclose that ownership would result, not in the kind of 23 per cent increase the tenants received at 40 Earl Street, but rather in no increase granted to the landlord. Unfortunately, that was defeated.

We dealt with the problem of effective dates. Our amendment to extend the bill to cover any rent review application for which an order had not been met would have expanded this so that we would not create, as the minister does in this bill, two classes of tenants: those who have some protection from pass-through and those who do not. That again was defeated.

We suggested that if the minister felt it important enough to have interim legislation until such time as he could get his act together and until such time as his ministry, which has been hearing about these problems for the past five years, could get its act together, the simplest way would be to have a five per cent freeze. We moved an amendment to that effect; that again was defeated by the Conservatives.

We also suggested that we had some anxiety about section 7. We said there should be no fixed termination date until such time as we could see the legislation that the minister would propose to replace it. It seemed reasonable to us that if this were an interim bill, if this were an emergency situation, as the minister suggested and as we agreed, he should come back to this Legislature with his proposals before the act self-destructs. Again the minister seemed to have so little faith in what his new act would do,

so little faith that he could convince the opposition and the tenants of the merits of that new act, whenever it comes through, that he refused to allow that kind of open end. Therefore, we lost our vote against section 7, on the removal of section 7.

4 p.m.

Last, I want to remind you, Mr. Speaker, that we moved an amendment that would establish a rent registry under the Landlord and Tenant Act in order to avoid the constitutional problems with the present unproclaimed section of the Residential Tenancies Act and to provide penalties where there was failure to comply. The minister agrees that the problem of illegal rent increases is a significant one. He knows about it. It has been brought to his attention for years and years yet he wants to study it further, so even that amendment was defeated.

We will be voting for this bill simply because it offers something. However, we do so realizing, as the Federation of Metro Tenants' Associations pointed out and as all of the tenant groups pointed out, this is far too little, far too late.

Mr. Epp: Mr. Speaker, first I want to thank the page who sent around these candy canes to us. I think that is very thoughtful of the page and, on behalf of all 125 members, including yourself, I want to thank the page for doing that.

The Acting Speaker (Mr. Cousens): I thank you and we all endorse that.

Mr. Epp: Second, I do want, in the spirit of Christmas, to commend the minister for bringing forth the bill. It is obvious that the bill was a response to the Cadillac Fairview/Greymac fiasco, if one wants to call it that, or if one wants to be more charitable, the sales that transpired and the continuation of those sales through three or four depths of numbered companies, which supposedly or are in fact owned by a number of people from Saudi Arabia.

The minister is aware that our party very much would have appreciated a five per cent freeze right across the board. It is something that we in this party have supported wholeheartedly and something that we spoke of in Bill 179, the restraint bill, and of course we support it now. We wanted to include that in Bill 198, the five-per-cent-plus bill. What the bill actually does, as everyone knows, is put a five per cent limit on the financial pass-through. We would have liked to have seen not only a restraint of the five per cent pass-through, but also a restraint on the six per cent plus, whatever

it amounts to, which may amount to 11 per cent plus.

One of the amendments we put forth was to roll back the date, not to the day that royal assent comes about, which may be today, but to November 16 when the minister got up in the House and made his very impressive and important statement. We would have liked to have seen it go back to that date because there have been a lot of applications and hearings that have taken place in the interim period that will not be subject to this legislation but would have been subject had he accepted our amendment to roll back the date to November 16.

There are two other aspects. One was demolition control. The issue arose in the city of Toronto, when the member for St. George (Ms. Fish), a colleague of the Minister of Consumer and Commercial Relations, introduced a private bill which would have brought about demolition control. We, in our wisdom, felt it would have been helpful to incorporate Pr13 into this particular bill as an addendum.

The minister easily could have incorporated that yesterday when we made our amendment. Unfortunately he did not do it, for a number of reasons, and we think that is an error on his part that is obviously going to affect a lot of homes in this municipality. I am talking about homes, not in the very narrow sense of single-family residences, but apartments and so forth. People are going to lose their homes because some landlord decides to demolish his or her building for one reason or another. Had he incorporated the amendments in this particular legislation, or had the government adopted Pr13, a lot of people would not have lost their homes or be facing the loss of their homes.

Finally, we would like to have seen some kind of registry system such as we have spoken about. The minister in a number of, may I respectfully say feeble, attempts has tried to delay this decision, but—

Mr. Cooke: You have no respect.

Mr. Epp: No, I have a lot of respect for him, but I do not think he has really been able to sell it to his cabinet colleagues, for whatever reason, or to convince himself that this should happen.

Nevertheless, it is being delayed. We would very much like to see the registry system incorporated, particularly in view of the fact that we were supportive of this principle some years ago when Bill 163 was debated over at least a 12-month period when it was introduced in the committee hearings and finally became law.

We would like to see the minister get on his white charger, as I indicated last night, and do something about this. If he does do it, we will commend him for it. Thank you very much, and Merry Christmas.

Motion agreed to.

DISRUPTION OF HOUSE

Mr. Piché: Mr. Speaker, on a point of order: On a matter raised last Thursday evening pertaining to the disruption of the House by certain individuals, who attempted by their actions to obstruct or intimidate members of this assembly, which is a contemptible offence, has the Speaker reached a decision on the matter yet?

Mr. Speaker: Yes, I have. As I indicated on Thursday last, I have taken the matter raised by the member for Cochrane North under serious consideration. I appreciate the strong feeling in this regard. The incident he referred to indeed is a very serious one, which might well be found to be contempt of the House.

However, I find that the rule which says that breach of privilege or contempt of the House must be raised at the earliest possible moment is one that has been strictly enforced. In this regard I refer you to the ruling of Mr. Speaker Lamoureux in the House of Commons of Canada on June 9, 1969. Having regard for this point, I find the motion unacceptable.

Mr. Nixon: Mr. Speaker, on the point of order: Do you mean to say that you do not accept any of the responsibility for the action of the House but only respond to a request from—

Mr. Speaker: No, I did not say that.

Mr. Renwick: That is not what he said.

Mr. Nixon: If you don't mind, I will ask him to interpret the words. I know how sensitive you are on this matter.

Mr. Speaker: Order. I was responding to a point raised by the member for Cochrane North. I have found, because of the time lapse and because of the precedent already established, that I cannot accept it.

However, I can assure all honourable members this matter regarding the security of the whole chamber has been referred to the Board of Internal Economy for further consideration and we will be having a report back very shortly on that.

CITY OF WINDSOR ACT

Mr. Cooke moved second reading of Bill Pr6, An Act respecting the City of Windsor.

Motion agreed to.

Third reading also agreed to on motion.

4:10 p.m.

CITY OF WINDSOR ACT

Mr. Newman moved, on behalf of Mr. Wrye, second reading of Bill Pr39, An Act respecting the City of Windsor.

Motion agreed to.

Third reading also agreed to on motion.

House in committee of the whole.

PROVINCIAL COURT (CIVIL DIVISION) PROJECT AMENDMENT ACT

Consideration of Bill 196, An Act to amend the Provincial Court (Civil Division) Project Act.

Mr. Chairman: I think we have amendments right off the bat to section 1.

Mr. Breithaupt: Mr. Chairman, perhaps if I could speak for just a few moments on the matter, the amendments which the Attorney General (Mr. McMurtry) is going to propose could be put en bloc, I would think, and then a discussion on the particular ones could be held.

As members may recall, when we had the occasion for second reading debate I suggested to the Attorney General four particular themes where amendments could be brought forward that would in my view make the provincial court (civil division) a fully fledged and operative court that would have a future, that would have judges appropriately appointed and would have the duties of those judges clearly spelled out.

The end result of the amendments I proposed would be to expand the jurisdiction of this court beyond the boundaries of the municipality of Metropolitan Toronto as might be decided in the future according to the decisions of the Lieutenant Governor in Council.

I then proposed that certain sections of the Provincial Courts Act would apply to judges under this act so they would have more of the general powers and the appropriate status of what I expect will become a permanent division of the provincial court.

Members will recall that when this bill was first brought before the House—and it appears in its entirety as chapter 397 of the revised statutes, 1980—the civil division was a project within the municipality of Metropolitan Toronto.

That project was going to end on January 1, 1983.

We had the benefit of the report that was referred to on second reading debate, prepared by Ann Cavoukian and Steve McCann. At that time, I referred briefly to the conclusions which appeared at pages 194 and 195 of the report and the views I expressed were concurred in by the member for Riverdale (Mr. Renwick) as the Justice critic for his party. We both agreed with the Attorney General that this project was worthy of establishment and development as a separate division, with the expectation of having the opportunity for judges of this court to be appointed perhaps in the other larger municipal areas as may develop over the next several years.

So I suggested the four amendments that I have referred to, and the response was most positive and pleasing to me from the Attorney General, that the ministry would be prepared to consider the establishment of this project on a broader base rather than just the continuation of what was there now in a more uncertain commitment for its future.

Amendments were brought before me and delivered to me by legislative counsel setting out how the themes I had raised would be included and adding to them a variety of other amendments made necessary by the prospective expansion of this court into possible other areas of the province.

We had the amendments that were presented this morning from the Attorney General, which effectively covered what I had suggested as the themes for this court. At that point two of the areas still had not been entirely dealt with as I had proposed. One was the manner of the reference in the appointment of the judges of the court, which appears in clause 1(b) of the original act, and the other was the reference with respect to sections 9, 12 and 13 of the Provincial Courts Act as to the duties and obligations of the judges appointed under the act, chapter 397.

I was then led to believe that from a policy point of view it was preferable that the judges appointed would have reference only to subsection 9(2) as well as to sections 12 and 13 of the Provincial Courts Act in their particular reference. But now we have a further set of amendments suggested with a variety of other changes.

The most important change is that the judges will not be referred to only with respect to this act, as I had suggested in my amendment to

clause 1(b); rather, and indeed much more pleasing, is the fact that the judges will be provincial judges appointed under the Provincial Courts Act, and as a result they will then have, as I understand it, all the status and qualities that their brethren in the criminal and family divisions would also have.

I welcome this further set of changes, because I think now it properly and thoroughly accomplishes what I certainly had hoped would be considered and accepted by the Attorney General. The result is indeed an improvement over my immediate drafting, recognizing, of course, that there are a variety of other sections that legislative counsel would consider appropriate to have amended because of the variety of resultant changes that occur from those four amendments, or those four themes, that I had originally suggested.

I am pleased that these other amendments are now going to be suggested, and they certainly have my full support. If I might suggest this, unless my friend the member for Riverdale wanted to speak at this point, we could proceed—after his remarks, if he so wishes, of course—to place all the amendments, and I would be quite content that they would then all carry.

Mr. Chairman: Before we continue, I guess I was in error. We probably should have allowed the Attorney General to place the amendments.

Interjection.

Mr. Chairman: Why do we not do that?

Hon. Mr. McMurtry: Mr. Chairman, I will just make a brief comment. I appreciate the remarks of the member for Kitchener (Mr. Breithaupt). I apologize to the members that these amendments are not typewritten. I think perhaps there had been a little misunderstanding by my ministry based on my failure to communicate my wishes adequately: that was to make no question about it but that the judges would enjoy the same status as the other judges in the provincial court.

4:20 p.m.

As I say, not having conveyed that message adequately enough, the typewritten amendments which were presented to me early this afternoon just after the opening of the House obviously did not reflect our wishes in that regard.

I appreciate the comments and support of the member for Kitchener. I would certainly be content to introduce the amendments in one package if that is agreeable, but I would be quite happy to hear the comments of the member for Riverdale.

Mr. Renwick: Mr. Chairman, I will be brief. I accept, concur in and adopt the remarks made by my friend the member for Kitchener.

Indeed, had he not proposed these amendments I would have proposed them myself. I was aware he was going to introduce them. I appreciate the purpose of the four themes the member for Kitchener has referred to.

I believe the amendments as now finally, completely before us, which were accepted in substance by the Attorney General, fully reflect those themes and I for my part will be quite happy when the amendments are put to vote on them and the bill passes out of committee.

Mr. Chairman: Is there no further discussion? I wonder if the Attorney General could put the amendments as indicated. My copies are photostated and I cannot read the part which is written in. Is it agreed that he just reads it once—he must have the original—and that will be it?

Hon. Mr. McMurtry: Mr. Chairman, I move that the bill be amended by deleting section 2 and substituting the following:

“2(1). Clause 1(b) of the said act is repealed.

“(2). Clause 1(c) of the said act is amended by striking out, ‘of the municipality of Metropolitan Toronto’ in the second line.”

I further move that sections 3, 4, 5 and 6 of the bill be renumbered as sections 6, 7, 8 and 9 and that the bill be amended by adding thereto the following section:

“3. Sections 2, 3 and 4 of the said act are repealed and the following substituted therefor:

“2(1). There shall be a court of record in and for the municipality of Metropolitan Toronto in such areas as are designated by the rules named by the provincial court (civil division).

“(2). The provincial court (civil division) shall be presided over by provincial judges appointed under the Provincial Courts Act, RSO 1980, chapter 398.

“4(1). Subsection 6(4) of the act is amended by inserting after ‘Toronto’ in the second line ‘and areas designated by the rules.’

“(2). Subsection 6(5) of the said act is amended by inserting after ‘Toronto’ in the third line ‘and areas designated by the rules.’

“5(1). Subsection 7(1) of the said act is amended by inserting after ‘1980’ in the third line the words ‘or in a designated area before the effective date of the designation.’

“(2). Subsection 7(2) of the said act is amended by striking out the words ‘before the 30th day of June 1980’ and inserting in lieu thereof the words ‘in the municipality of Metropolitan

Toronto before the 30th day of June 1980 or in a designated area before the effective date of the designation.’

“6(1). Clause 9(1)(b) of the said act is repealed and the following substituted therefor:

“(b) designating areas in the territorial jurisdiction of the provincial court;

“(c) providing for sittings of the provincial court to be held at places in its territorial jurisdiction outside the local division in which the action is commenced but in the same judicial district.

“(2). Subsection 9(3) of the said act is repealed.”

I further move that section 8 of the bill as renumbered be deleted and the following substituted therefor:

“8. This act comes into force on the first day of January 1983.”

Mr. Chairman: The Attorney General has put forward amendments to Bill 196.

An hon. member: Carried.

Mr. Chairman: That would be nice.

Mr. Roy: I have a few comments, if nobody else has.

Mr. Chairman: Could we have a package of comments? It is a little confusing. There are no amendments to section 1. Let us get it out of the way.

Section 1 agreed to.

Mr. Roy: Mr. Chairman, I just have a few brief comments. It is on the full amendments and the full bill.

I want to put on the record that I support fully the process that is taking place here today. It is a process that started with the act being passed originally under chapter 397. It is an interesting process that is taking place in our courts. I see it as a process which will make the courts more effective and efficient.

The Attorney General, having held that office for a number of years, will understand the difficulty all ministries are having in getting adequate funds to respond to what is at least perceived as the need out there. One of the things he is going to have to do in the future with the restrictions on funds is to try to make some arrangements and changes which will make the courts far more efficient and effective.

I want to put on the record that I am in favour of a process such as this. As I understand the results of these amendments combined with the other statute, the Attorney General now is going to have in the provincial courts basically three sections: people doing criminal work, people doing family law work and those doing

civil work. That is an interesting process at the provincial level.

I do not know whether this suggestion has been made before, but from my very limited experience I would suggest that the Attorney General give consideration to allowing judges who are appointed to have concurrent jurisdiction in all three areas. I hazard to be bold enough to suggest that those doing only family law or only criminal law or only civil law, after a while may become stale from doing limited—not limited in number of cases; God knows they have to deal with too many cases and the pressures of having to deal with more and more cases each day, the pressure to get the cases going, to get them terminated and so on.

I am suggesting that, after a while, just doing the same type of work—only criminal work, or only family law work, or only civil work—is not as intellectually challenging as it might be if the judges had concurrent jurisdiction. For a period of time they might be doing family law work, then change and do criminal work for a while and then do some civil work. I do not know if that is possible now under the Provincial Courts Act, but it would be more challenging and we would end up with people having greater variety in their work. Also, in my respectful submission, the judges would be far more alert if they could go from one jurisdiction to the next.

4:30 p.m.

I do not want in any way to demean our judges. Personally I am not suited to do that type of work. But from going into court I have some appreciation of the fact that a judge who for 15 years has been hearing nothing but breaking, entering and theft cases, after a while gets somewhat jaded. He could get somewhat cynical of the explanations that are given by the accused. I can understand he has heard them hundreds of times before.

In family law it is the same thing. I used to spend time going to court to do family law work, both as a crown attorney and as a defence counsel. I have seen the processes at work there as well. One keeps hearing the same explanation when people are in trouble at that level. I suggest it may well be the same thing. I have seen what can happen in small claims court. So I am suggesting it would be an interesting process if the judges were to get a variety of work.

I have already suggested to the Attorney General that the provincial judges in the criminal section should have some concurrent jurisdiction to do civil work. That would change the atmosphere, change the environment, and give

them something else to think about. They are always thinking about sentences: "How much time should this fellow get and should I be reading his pre-sentence report or should I be getting a report from the social worker about this family situation?"

I make this suggestion as a matter of practicality—to make our judges and our courts more effective, more efficient and more challenging and, in the final analysis, more attuned to respond to the needs out there. I would like to hear the response of the Attorney General.

I suggest to the Attorney General that as he moves in that area he is also going to have to look at the area of the county courts and supreme courts. Just last week I discussed in the estimates with the Attorney General the brief submitted by the Carleton County Law Association. The outlying jurisdictions outside of Toronto—whether Windsor, Sudbury, Ottawa or London—have the perception that the present process of the Supreme Court travelling on a circuit does not respond to the needs of these particular communities.

I do not intend to repeat all the arguments originally made by Mr. Bell in 1973 and by the Carleton County Law Association. But it seems to me that in the long term the Attorney General is moving in the right direction, at least at the provincial level, by getting the three divisions. If there was concurrent jurisdiction it would give the judges more jurisdiction. I think it is rather insulting in a way to appoint very competent people to the bench and then say to them, "You cannot hear a case concerning more than \$3,000."

As he moves into civil jurisdiction with his provincial courts, he could eliminate one level of court at the county level. A law could be passed giving concurrent jurisdiction to the county court judges and there would just be the provincial court and the Supreme Court. Then the minister could start giving consideration at the Supreme Court level to having six or seven districts, as was suggested by the Carleton county bar. Within each district, there would be a number of Supreme Court judges who would move within the districts.

Looking at the process that is going on here, I agree with my colleague the member for Kitchener. I think he should be congratulated for making the suggestion that the experiment that is going on right now in the county of York be considered for other areas of Ontario. These are all ideas that make our court more efficient, and

I think that is what the Attorney General is going to have to look at.

In the long term it seems to me that changes are not only going to have to be made at the provincial level. They are going to have to be made at another level too—so that there will be, let us say, one provincial court and one Supreme Court. I think that is what exists in most other provinces; certainly it has existed in Quebec for quite some time and I think that system works.

The Carleton County Law Association initiated public discussion about the amalgamation of the county court and the Supreme Court and the setting up of districts for the Supreme Court. They have been getting widespread support from all areas of Ontario and from the public, and the public is going to start understanding that.

I think it is difficult to tell the public, "If your case happens to be less than \$15,000, you are in county court, but if it is over \$15,000, then you are in Supreme Court." I point out to the Attorney General that one of the examples cited in the brief happened this week. Cases were to start Monday morning in Ottawa Supreme Court. There was a snowstorm and the Supreme Court judges did not come down, so the case got started late. But it is going to be a short week; the judges want to get back to Toronto. So you do not want a case that is going to take any more than two days. That is the type of thing that is happening.

Mr. Chairman, I do not want to take any more time, but I do want to say—

Mr. Mackenzie: Sounds like a filibuster to me.

Mr. Roy: I find it ironic that member should even be discussing filibuster when his party has wasted three months of our time. That he would dare intercede—

Mr. Chairman: All right. Come on. It's Christmas.

Mr. Roy: Well, it's Christmas, but they have made it difficult.

Mr. Mackenzie: This one doesn't make any sense. That's the only difference.

Mr. Roy: I understand that you would not understand this. It is reaching a level that you have some difficulty appreciating.

In closing I want to say to the Attorney General that I think this is a positive step, a step that must be continued not only at the provincial court level but also at the county and Supreme Court levels. I encourage the Attorney General to give a more positive response to the

brief of Carleton County Law Association than what I have been able to appreciate. He will understand that he is perceived as a Toronto boy who looks down on Ottawa and says: "You guys know the standardization. The barometer for the proper level of justice is Toronto, and we have to keep the rest of you in line."

Hon. Mr. Davis: Brampton.

Mr. Roy: Brampton is not even in the picture in law.

Mr. Conway: Now that His Honour Judge Boland is there.

Mr. Roy: That's right.

So in spite of the provocation that may be emanating from the Premier (Mr. Davis), I will complete my comments. I want to congratulate the Attorney General and my colleague the member for Kitchener for having initiated these changes. I am very supportive of them.

Hon. Mr. McMurtry: Mr. Chairman, first of all I have to take issue with the description given by the member for Ottawa East (Mr. Roy) of the Attorney General's views in so far as they relate to Ottawa lawyers. I have an extremely high regard for the Ottawa-Carleton bar, and I think the high esteem in which I hold my colleagues in that area is reflected in the very important fact that we are building a new courthouse in Ottawa. What could be a better indication of my own personal regard?

I will not add anything further to what I had to say about the interest in proposals the member for Ottawa East put forward in estimates with respect to merger. However, in so far as his remarks were addressed to the provincial court judges, the criminal, family and civil interchanging so far as responsibilities are concerned, I certainly would have no objection to that type of initiative. As a matter of fact, I have suggested it as something to be considered by some of the provincial judges' associations. I would be prepared as Attorney General to facilitate any administrative arrangements to allow judges from the different courts to sit in the other courts.

4:40 p.m.

I agree, at least in part, with some of the comments of the member for Ottawa East. At this point there has not been much enthusiasm for the idea from the judges and this is an initiative I think should come from the ranks of the judges themselves.

It is worthy of further discussion and perhaps the remarks of the member for Ottawa East will encourage further discussion among judges of

the provincial court. That, of course, is the court which most of the citizens who have anything to do with the administration of justice see on a day-to-day basis.

Mr. Chairman: Is there any further discussion? Interjection.

Mr. Chairman: Outside of the member for Renfrew North (Mr. Conway).

We will attempt to put some of these amendments. We passed section 1 and I have the benefit of counsel's program of events here. You will have to take me at my word that we have—

Mr. Breithaupt: Mr. Chairman, might I suggest that since the Attorney General has read the amendments into the record, the House could agree that you put the amendments as read by the Attorney General. If they carry, the bill could then be reported in this instance.

Mr. Chairman: Great idea.

Mr. Renwick: Mr. Chairman, I am in complete agreement.

Mr. Chairman: We have all heard the amendments as put by the Attorney General. Is it the pleasure of the committee that the amendments carry? Carried. Is it the pleasure of the committee that all sections of Bill 196, as amended, carry? Carried.

Bill 196, as amended, reported.

On motion by Hon. Mr. Wells, the committee of the whole House reported one bill with certain amendments.

THIRD READING

The following bill was given third reading on motion:

Bill 196, An Act to amend the Provincial Court (Civil Division) Project Act.

INTERIM SUPPLY

Hon. Mr. Wells, on behalf of Hon. F.S. Miller, seconded by Hon. Mr. McMurtry, moved resolution 9:

That the Treasurer of Ontario be authorized to pay the salaries of the civil servants and other necessary payments pending the voting of supply for the period commencing January 1, 1983, and ending April 30, 1983, such payments to be charged to the proper appropriation following the voting of supply.

Mr. T. P. Reid: Mr. Speaker, the government is trying our patience with the absence of the Treasurer (Mr. F. S. Miller) yet again, but we will reluctantly support the motion.

We are hoping that when we return on January 17 the Treasurer will have something more concrete for us in the way of job creation programs. As far as the Liberal Party is concerned we would like to see a mini-budget and an up-to-date economic-state-of-the-province situation when we return. I say this reluctantly, but because it is Christmas and with that kind of co-operation we are willing to allow this motion to pass.

Mr. Rae: Mr. Speaker, I also would like to be able to convey the feelings of my party with respect to this question to the Treasurer himself, but I know the government House leader (Mr. Wells) will immediately transmit our very strong views. As the Treasurer has gone to the meeting at Meech Lake and seen the consensus that job creation was the number one priority—not only for the country, but also for each of the provinces—we really do think it is incumbent on the government to come up with an economic package with respect to capital works, with respect to housing and with respect to jobs as soon as the House reconvenes in January.

We are in a sense acting entirely in good faith in letting this interim supply go without a debate. We could have kept the debate going in order to force the government's hand. However, since the Treasurer was at the meeting and since he has indicated he is prepared to move on the question, we do have every hope he will be before us on January 17 with a job creation program.

Hon. Mr. Wells: Mr. Speaker, I might just indicate that, as the members are aware, the estimates of the Treasurer and the Minister of Economics were debated yesterday for all the afternoon and evening—

Mr. T. P. Reid: The minister does not call that a debate.

Hon. Mr. Wells: —and it was our understanding that it was an opportunity to have full discussion on the matter—

Mr. T. P. Reid: It did not happen.

Hon. Mr. Wells: —and that occurred. I thank the members opposite for their encouragement in passing this motion now.

Motion agreed to.

LOAN AND TRUST CORPORATIONS AMENDMENT ACT

Hon. Mr. Elgie moved second reading of Bill 212, An Act to amend the Loan and Trust Corporations Act.

Hon. Mr. Elgie: Mr. Speaker, my remarks will be very brief since I have given a rather detailed statement and some remarks on introduction for first reading.

Basically, the government feels it is prudent and responsible at this time to introduce a series of amendments that deal essentially with two issues related to the Loan and Trust Corporations Act. We feel there is complete understanding on the part of the House and the public that a white paper will cover a number of issues we feel should be looked at with respect to the Loan and Trust Corporations Act and, subsequently, with the intention to introduce legislation into this House. Consequently we feel it is appropriate at this time to introduce amendments which we feel are necessary and prudent with respect to the government's power and capacity to review and control loan and trust companies within the province.

Mr. Peterson: Mr. Speaker, it is my intention to speak briefly on this bill. I just want to make a few points if I may.

There is no question that members of our party have agreed to speedy passage of this bill with first, second and third readings today—to which I understand my colleagues in the New Democratic Party have also agreed. It was done on the request of the Premier and the minister and I believe in the circumstances it is the most responsible way for us in opposition to behave. As a result of that, we are going to support this bill.

It is not every day the Premier and a minister make this kind of request of an opposition party. In ordinary circumstances it is not the way I would prefer to conduct this opposition. But the reality is that this bill asks for some extraordinary powers in the circumstances, and the Premier and the minister deemed that time was of the essence—that it had to be passed today and not on January 17 or in the next session.

4:50 p.m.

We have been most concerned about the potential situation this bill addresses. We are very much aware of our dual responsibility—the responsibility to provide a vigorous opposition but also a responsibility, at the same time, to always be responsible. We are not having a tea party here this afternoon. We are giving the minister powers to look into, to trustee, trust companies on—let us call it what it is—the slimmest of pretexts. When the minister has information that leads him to believe he should move quickly he now has that power. He did not

have that power prior to these amendments coming before this House.

We, in our party, have had a lot of discussions over the past couple of years with respect to the regulatory capacity and ability of the Ministry of Consumer and Commercial Relations. I do not want to go through the entire litany, but the minister will recall the Astra/Re-Mor affair which is still a long way from being settled, the Co-operative Health Services of Ontario, Argosy, and a variety of others. We are a party that believes very substantially that the obligation of the government is to guarantee as well as possible the security of the investors in the wide range of companies that come under the aegis of the Loan and Trust Corporations Act.

I am proud of the role my colleagues have played in this entire matter. We have been pointing out transactions that have transpired over the last couple of years. We believe that sufficient signals were forthcoming, that there should have been action before today. We regret very much that we are forced to grant these extraordinary powers without the thorough scrutiny that it deserves in the circumstances. But again, when requested by the minister and the Premier, and knowing what we do about the circumstances, we do feel it is warranted in these circumstances, and that is why we are going to support this act.

The Cadillac Fairview/Greymac/Kilderkin/numbered-companies series of transactions has provided a great deal of anguish for a lot of people, the least of whom would be the minister in these circumstances. He has probably been frustrated along the way trying to get a handle on this difficult and volatile series of transactions he has been struggling with. I believe he deserves and needs the power to deal with it in the best way possible and that only he can use his judgement, should the circumstances warrant it.

We do not know what those circumstances are. Whether he does or does not, probably at this point he is not in a position to share the information with this House or anyone else and I am not going to ask him that question at this time. He will be judged in retrospect, in the clear light of day, as to whether he used his authority wisely and well or whether he reacted too late in the circumstances.

My own view is that we are reacting too late. There were *prima facie* cases some months ago that merited a more thorough investigation by an agency that we would have called a judicial inquiry. We still think that probably will be

necessary in the circumstances. The minister in his statement today acknowledges that if he cannot get all of the facts through the so-called Morrison inquiry, he is prepared to widen the study and go even further, should that be necessary.

We would have moved very quickly in the circumstances. Our position is on the record and we still think in the circumstances it was the correct one. I do not believe for a moment that had we had a royal commission or a judicial inquiry into this set of circumstances some time ago that it would have, in any way, prevented what is happening today or would have precluded the kind of action we are taking today. I think we would be far closer to knowing the truth on this set of circumstances, the various people involved, and whether there have been any violations of the Loan and Trust Corporations Act.

We have a very difficult problem with not actually knowing who the numbered companies involved are. In the circumstances the judicial officer could have had the capacity to penetrate that corporate veil and determine all the circumstances attendant thereto.

Our support for this legislation is contingent on a thorough review in the clear light of day when we are not under the same time pressures that we are under today.

I am glad the minister is going to be producing a white paper. My colleagues look forward to dealing with a new act— making sure everyone's interests have been served. I do not have to remind the minister of the thousands of hours spent by my colleagues the member for St. Catharines (Mr. Bradley), the member for Niagara Falls (Mr. Kerrio), the member for Renfrew North (Mr. Conway) and a many others who have worked so hard on the Astra/Re-Mor deal to try to bring that situation to justice and to light. It occupied the former leader of this party who so conscientiously fought for the people who were dispossessed through that series of transactions.

We have a grave responsibility in this House and I view the circumstance in that context. We have to make sure we are not alarmist, that we do not create anguish on the street. Frankly, I am one of those who is concerned there may be an overreaction by people who are observing the hasty passage of this bill today and I hope they do not draw any conclusions that are unwarranted in the circumstances.

The reality of this extraordinary situation, when we are asked for quick passage of a bill to

give these extraordinary powers is that a lot of serious-minded people will be asking a lot of serious questions tonight and tomorrow as they read about what we have done in this House. It is going to be our collective responsibility from all sides of this House to make sure we do not create any consternation that is unwarranted in the circumstances.

At the same time, I fundamentally believe it was our responsibility to make sure the minister acted in the circumstance. It was a long, difficult fight. Day after day we brought transactions to his attention that on the face of them at least appeared to be violations of the act. The cumulative effect was something that had to be looked into by the minister.

I still do not know at this point whether the minister, Mr. Morrison and the various other inquiries have got to the root of some of these problems. I guess I have to take some of that on faith. We have been asked as an act of faith in the minister to give him these powers so he can act in his best judgement, should the situation warrant it.

The minister will be judged in retrospect. I reserve my right to judge him and the way in which he uses the powers we give him in the act, such as whether he did it too soon, too late or whether he should have acted at all, and indeed what he does with this new act.

I could talk about some of the technical aspects of the act. I am not going to do that. I do not think that is constructive in the circumstances. Speedy passage is very much called for, and that is why I and my colleagues are prepared to grant these powers to the minister.

I wish this was the end of the whole so-called Greymac/Cadillac Fairview/Kilderkin deal. It is not. I am sure we will be discussing this matter in the House over a long period of time, but at least now the minister will have the powers he requested to deal with this situation as he feels he should in the circumstances. So it is with some regret, and on the other hand with some hope that he will use these powers wisely and well, that we in this party are prepared to grant them to him this afternoon.

5 p.m.

Mr. Rae: Mr. Speaker, we will be supporting this legislation, but I would appreciate some answers to some specific questions that I will be putting to the minister in the course of my remarks this afternoon. I know the member for Riverdale (Mr. Renwick) also has some questions and comments with regard to the previous

history of earlier legislation that was proposed by a select committee of this Legislature.

The Leader of the Opposition (Mr. Peterson), the leader of the Liberal Party, has indicated that there is a need for all of us to strike a balance between our concern about the circumstances that have given rise to this legislation and the very real need for all of us to exercise some real responsibility and not to paint too broad or wide a picture, thus causing a loss of confidence in certain financial institutions in which all of us should continue to have confidence.

I simply want to say that has been the way in which we have always conducted ourselves. That certainly was the attitude I took as I left the meeting the member for Riverdale and I had with the minister and the Premier (Mr. Davis) yesterday when they discussed the proposed legislation with us in very general terms, and that is certainly the position our caucus takes with regard to this particular legislation and this particular matter.

At the same time, I do think the House is entitled to know whether there are particular circumstances or transactions that are taking place or contemplated that the minister had in mind when introducing this legislation. I say that because it seems to me that unless the minister is prepared to tell us whether there are such transactions, he is encouraging wider speculation than needs to exist. That is why I think there is an obligation on the minister to tell us whether there are particular transactions he had in mind in introducing this legislation and precisely what the concerns of the government were with regard to the absence of legislation in that regard.

I cannot resist the temptation of saying to the minister that if we were the government—

Mr. Nixon: I am not commenting.

Mr. Rae: I ask the member for Brant-Oxford-Norfolk (Mr. Nixon) to suspend disbelief for a moment.

Mr. Nixon: I am right with the member, phrase for phrase, waiting for it to get good.

Mr. Rae: If we were the government and we called upon members of opposition parties to support the proposition that the cabinet should be able to take over a trust company whenever it feels it is in the public interest to do so, which basically is the power granted by subsection 3(1) of this act, I would suspect the legislation would take more than a few minutes to get through the Legislature.

I see the member for Niagara Falls (Mr.

Kerrio)—I think he is still awake; I see him nodding his head there, I think in agreement.

Mr. Nixon: We would suspect your motives. You would want to nationalize trust companies, wouldn't you? And, after that, insurance companies and natural resources.

Mr. Rae: Now my friend has mentioned that word. The member for Brant-Oxford-Norfolk has said we intend to nationalize the insurance companies. I do not know whether he intends to nationalize the insurance companies, but I cannot resist the irony of the situation where we are, in effect, in this legislation, granting some extraordinary powers to the cabinet with respect to the conduct of business of trust companies. I say to the minister that anyone reading this legislation would say the government must have had something in mind or must have had some concerns in mind with respect to certain transactions, and I think we are entitled to an answer to that question.

I want to say a very brief word about valuation, because the minister raised it in his statement today. The minister expressed concern on page 3 of his statement and raised a number of questions, asking, "What does 'value' mean in this context?" This is the sort of philosophical, almost Talmudic way the minister has of talking from time to time: "What does 'value' mean in this context? Does it mean 'fair market value,' and, if so, how do you take into account elements of 'value' that may be attributed to tax benefits that may arise out of the way the property is financed?"

I want to say to the minister that it is not good enough to ask those questions in the academic manner in which they are asked in this statement, for the simple reason that if the government has genuine concerns about valuation, then I think the government has to come clean and tell us it has those concerns. If there are a number of trust companies that have taken out mortgages on the basis of values which only can be described as inflated as a result of certain valuation techniques, I think the minister has an obligation to tell us that is now the view of the ministry.

The minister will understand the reason I am saying that; it is that there are depositors and shareholders of trust companies who do have a legitimate concern if it is the view of the ministry that certain properties have been overvalued as a result of their using either replacement value, flow-through or certain assumptions on the basis of tax benefits that no longer would be there. If the assumption of valuation

by a number of trust companies was an assumption about rent control and about the kind of pass-throughs that would have been permissible prior to this House's consideration of the pass-through legislation, the minister knows perfectly well that in a sense the government is contributing to the devaluation of certain properties.

I do not mean that in a pejorative sense at all. If the values have been overvalued because of an assumption about rent review not looking into certain transactions when it is the overwhelming view of the Legislature that it should be looking into certain transactions, then I suggest to the minister that is a problem which the government and the registrar are going to have to deal with. It is a problem the parameters of which none of us knows, but nevertheless I think we can raise these questions because it seems to me they deserve to be answered.

With respect to valuation, the minister has said he can assure the House that even clarifying the meaning of this one word is not a simple matter to resolve, nor is it easy to predict the practical consequences of any particular meaning that may be put on it. I think the minister has an obligation to be a little clearer, certainly when it comes to making a statement in the House in January, than he has been with respect to this question of valuation.

The registrar has an obligation to be a little clearer too, if the registrar is going to be putting terms and conditions upon the operation of certain trust companies that would require a different form of valuation. It seems to me that is an important question, and I do not think it can be dealt with simply by raising a number of questions in the minister's statement. It seems to me that what we want from the minister is the answer to those questions rather than him simply raising the questions.

I am not pretending for a moment that the answer to those questions is easy. I am not pretending it is not a delicate and difficult question and a debatable question when one is looking at assets valued at millions of dollars and the conduct of companies that have assets of millions of dollars. I am suggesting that the fact it is a difficult question to answer does not mean it should not be answered, and it does not mean it does not have to be answered by the government.

I suggest to the minister, as I suggested in question period today, if the minister has certain concerns with respect to the conduct of any trust company, he has an obligation to make

that clear, or at least to set the process clearly in motion by which that question of valuation will be made clear, and to give us some indication of when he expects that question to be finally determined or determined as far as the companies in question are concerned.

Let me raise two other questions. First, I want to say how pleased I am that the minister has gone as far as he has in the last paragraph of his statement with regard to the Morrison inquiry in his determination to get to the bottom of the transactions and his commitment to broaden the inquiry if that proves necessary by January. That is exactly the kind of commitment we in our party were looking for from this government with respect to that series of transactions.

I am pleased and I appreciate, particularly after the disparaging things he had to say about me last week in the debate on this very question, that the minister now has decided to recognize the unwisdom of some of those remarks and to agree that it makes sense to broaden the inquiry if we cannot get the information we need under the Loans and Trust Corporations Act.

5:10 p.m.

Hon. Mr. Davis: Is it proper to say "unwisdom"?

Mr. Rae: The Premier, who has a great future teaching English as a second or even third language to whoever would want to learn it from him, has some nerve asking me whether "unwisdom" is a word.

Hon. Mr. Davis: I just asked a question.

Mr. Rae: I think it is a word. I will consult the appropriate sources and send him that information as quickly as I possibly can.

Mr. Nixon: I think it's a beautiful word. It's like "irregardless."

Hon. Mr. Elgie: It is a word. I believe you.

Mr. Rae: It is a word. It is a more polite word than "stupidity," and I was not about to accuse the minister of that.

Mr. Kerrio: Oh, now it's getting degenerate.

Mr. Rae: No, that is what I am saying; unwisdom, the lack of wisdom, covers what I wanted to say rather than any other word.

With regard to the minister's statement about a white paper and future legislation, I do want to say that having been in another place where I had responsibility for financial legislation—

Hon. Mr. Davis: Do you ever miss the other place?

Mr. Rae: Never. Not even in my direst moments. Not even on the day of the calendar did I miss the other place.

I have had some experience with waiting for white papers and waiting for legislation from governments with respect to trust companies and finance companies and banks. I want to say to the minister that one of the reasons we are supporting this legislation in the form we are supporting it is precisely that I know it is going to raise some hackles and some concerns in the marketplace. I know it is going to raise some concerns and hackles even among some members of his own party.

I see the member for Prince Edward-Lennox (Mr. J. A. Taylor) smiling as he looks at this draconian legislation, this piece of socialist legislation that has been introduced by his government. I know how uncomfortable he feels when he has to stand up and support this kind of legislation. It is precisely because of the discomfort—

Mr. J. A. Taylor: You will never know, Bob.

Mr. Rae: My friend says I will never know. I do not think that is true. They have a way of letting us know what is on their minds, using that term in its loosest sense, and we have a way of finding out.

I simply want to indicate to the minister that we are going to hold him to his word with respect to new legislation and the white paper. In particular, we expect the white paper to deal with questions that we think are quite basic to the kinds of trust and faith that people need to have in all their financial institutions and that are quite basic to the conduct of trust companies in the province.

My colleague the member for Riverdale will be dealing with the history of some of these matters. This is not a new promise. This is not a new commitment from this government. They have been committed to introducing legislation with respect to loan and trust companies and other financial institutions for a long time. It is a question that has been discussed in a committee of this House. It is a question on which there are reports that, from the ones I have been able to gather this morning, can be stacked fairly high on the desk.

I simply say to the minister that we expect to have that legislation next year. In 1983, the legislation has to be presented to the House, not in an unnumbered fashion but in a numbered fashion, with a clear indication that it is legislation which the government expects to go to committee and expects to have approved by the House, and on which it is prepared to hear from all sides of the House with respect to amendments.

For the record, the minister should know that

our concerns have to do with disclosure, as I am sure he has heard. Our concerns are not only about disclosure in terms of the names and identities of shareholders and controlling shareholders and of controlling interests in trust companies but also about disclosure that affects the rights of consumers and gives consumers the kind of protection they need when dealing with financial institutions.

We believe we need some provision that restricts the degree of concentration in our financial institutions and limits the number of shares that can be purchased and owned at any one time by any one person or corporation. The minister will be aware that the federal legislation that has been proposed in its current form calls for that kind of limitation. We believe those restrictions are necessary.

We also believe it is necessary to control the kinds of other assets and other institutions and so forth that trust companies can own. They are no longer small-time institutions; they are very big institutions, as the minister will know. We also believe it is time the government took steps to gain some degree of permanent control over aspects of our credit system and started to be much more creative in terms of using the collective assets and savings of the people of Ontario for the benefit of the people of Ontario so that we can provide the kind of housing and social construction and so on which we think is an extremely important part of the expectations of the average Ontarian.

Having made those remarks, I want to say to the minister again that this is not the end of the road. The government might think it has got itself off the hook. We are of the opinion that the government has firmly implanted itself on the hook, because the minister and the registrar now have the clear and undeniable authority to do those things and to ask those questions that we have been requesting of the minister during this past session with respect to the Cadillac Fairview transaction and other transactions.

I just want to give the minister the assurance—as well as wishing him and his family a very happy Christmas, of course, and I see his wife in the gallery—that when he comes back, if he thinks the fall was a hot time he is going to find that the spring session will be even hotter.

Mr. Renwick: Mr. Speaker, I want to speak somewhat briefly about the bill that is in front of us and the circumstances in which we are debating the bill today.

I personally do not consider that the process yesterday, while it was somewhat unusual, nec-

essarily need be put out of perspective. We were specifically asked by the Premier and the minister to pass this bill through all of its stages in one day. Subject to the discussion we had in our caucus this morning, when agreement was reached that yes, we would support the passage of this bill through all its stages in one day, I felt and my leader felt, and our caucus agreed, that there were urgent and compelling reasons why the bill should be passed during one day and become law.

In case anybody is burning the midnight oil in any of the offices of the loan and trust corporations with respect to their share registers, I want to comment simply that it is my understanding that this bill, if it is passed and receives royal assent today, will have been in force from 12:01 a.m. this morning—I do not want anybody to misunderstand that—and that there is no leeway available for backdating transfers as though it were some kind of mechanical action that should have taken place yesterday and they are really just cleaning up their business.

I am extremely concerned, and I want the minister to understand that after reading his statement and listening to the statement he made I think the time has come today when he must take this House into his confidence about that sentence in his statement where he simply says, "However, we are aware of activity in the loan and trust field that as a matter of prudent administration should be subject to review and, where required by the public interest, controlled."

That is why the bill is here today. It is not just a warning to existing companies that they should look to their affairs and make certain that they tailor their affairs to this new world; nor is it simply to say to the old, established companies that they need not be concerned about it, that it really does not affect them because they have always complied with the law. There are very specific reasons for the urgency of this bill and for the desire of the government, which we share, as I have stated, to have it passed in one day.

I would like the minister to escape for once from the thrall of the business interests with which this government is enshrouded and bring the assembly into his confidence about the activity that requires this bill. What is going to take place today, tomorrow, the next day? What were the rumours on the street? What was the concern that led the government to introduce this bill?

5:20 p.m.

I find it also somewhat passing strange, if I may say so, to have the Minister of Consumer and Commercial Relations —recognizing as I do that he has not been in that office all that long—try to say to us that the act may not contain the powers to adequately deal with the economic times and changes in business practices that now confront us. It does not contain them and that is the reason the bill is here. It is here for very special and precise reasons, and I think the assembly is entitled today, as it was not yesterday, to know why these provisions are there and what the targets are to which the legislation is addressed.

I may say that in so far as I can read the bill, and perhaps the minister will confirm it for me, it does not affect, certainly so far as the transfer of shares is concerned, the processes of amalgamation of Greymac and Crown Trust. I may be quite wrong but certainly as I understand it at this time, the top company, Greymac Credit Corp., wholly owns Greymac Trust and something like 96 per cent of the voting shares or of all the shares outstanding in Crown Trust and will be proposing to amalgamate the two companies.

As regards the transfers that have taken place and the exchanges that may be necessary with respect to the small minority interest still outstanding in the hands of shareholders in Crown Trust in the processes of amalgamation, I wish to know from the minister whether he intends to move to inhibit the amalgamation of those two companies or whether this bill is designed in any way to affect that amalgamation.

I cannot speculate on other areas. All I know is that there have been sufficient rumours on the street to prompt the government to act in this way. I would like very much to have the government tell us in this assembly this afternoon exactly what has taken place.

I am always the first one to be delighted to see the legislative process thwart the arcane practices of the high-priced practitioners in the fields of law and accountancy dealing with corporate security taxation in conveyancing matters, so the minister has my total personal support from that point of view, but I think it is important that we do know and understand what is taking place.

Another part of the statement astounded me, and I am not going to take a great deal of time other than to recall to the House what has gone on over the years.

I believe my colleague the member for Kitchener (Mr. Breithaupt) was with me on the select

committee on company law at that time when we dealt with the loan and trust corporations. The report was tabled in this assembly in 1975, and nothing has been done since that time with respect to the report of the select committee on loan and trust corporations, which was then under the chairmanship of the member for York North (Mr. Hodgson), who was in his seat a few minutes ago.

In that report, we urged a review of the Loan and Trust Corporations Act which, with respect, and subject to minor amendments that took place in the late 1940s, is a bill that has existed in this assembly in its present form since 1912.

I find it passing strange for the minister to come before us and tell us that "it is not an area of legislation where one makes snap judgements to change fundamental principles or relationships that have been followed and applied for years." I find it strange that he can be talking at this point about a white paper and a revision of the law on loan and trust corporations when there has sat rotting on shelves in his ministry, for some seven years now, the report, many of whose recommendations, if enacted into law over a period of time two, three or four years ago, would not have required this kind of activity in which we are engaged today.

There are two or three areas where I want to take a few minutes to indicate to the minister that we do not accept the view that this 1912 — it was amended in some minor particulars in the 1940s and barely touched since that time, but subject to the scrutiny and review that followed upon the collapse of, I believe it was the British Mortgage and Trust Co., if I have the name correctly, in Stratford, which had to be bailed out by Victoria and Grey Trust during the time of the Premiership of the late John P. Roberts.

That was what triggered the select committee on company law, along with a number of other financial collapses; that is collapses of companies whose inventory is money and nothing else but money and which attract people who want to make money on money, which I guess is the ultimate definition of capitalism.

As I had begun to say, it is just difficult to believe the view that somehow or other this particular bill needs to be brought in under these auspices. We accept that that is the way this government has operated. It has had a very tender regard for the collection of interests in both the insurance field and in the loan and trust field.

On the select committee we were subject to the tender regard of the trust companies associ-

ation. On no occasion did we meet, either here or in London, England, or in New York City, without having at least one representative of the loan and trust corporations with us to make certain that we did not stray into the path of the public interest rather than their own personal interest in these matters. It was all done in a very gentlemanly and polite way.

It has not escaped me, and I am sure it would not escape the member for St. Catharines (Mr. Bradley) or my colleague the member for Welland-Thorold (Mr. Swart), that there is an amazing analogy in the structures of the companies that defrauded the public in the Argosy group of companies; that particular model obviously has been used with much greater sophistication and with much more skilled advice to stay strictly within the law but to carry out the same kind of hidden, secret, corporate manoeuvres about public moneys which we have seen in the transactions that have been of such concern to this House practically throughout the months of November and December in connection with the Cadillac/Greymac operation.

I was pleased that the minister was forthright today about the desire of the government to understand what the transaction was and what was the framework and the ingredients that led to the transaction. It is an understanding, first of all, that is absolutely essential. The minister has confirmed that if the investigation under section 152 is not adequate for that purpose, it will be extended. We accepted that commitment by the government, and we expect and understand that the minister will live up to it.

I hope he will not take too long to decide that it is necessary to extend the authority of Mr. Morrison to make the investigation. It is patently clear that it is not possible by simply examining the books and affairs, particularly of the trust corporations that have been involved in this whole transaction, to meet the requirement of full understanding of that transaction as it is necessary for us to understand.

I am sorry; apparently I have caused a fire.

The Deputy Speaker: Yes, that is right. I just want to bring the members' attention to the fact that the fire alarm is on in the building. Apparently it is on the second floor. There is no need to evacuate the building yet, but we will keep everyone informed.

5:30 p.m.

Mr. Renwick: I want to refer very briefly to a few sections of the 1975 report of the select committee on company law on loan and trust

corporations. What was the first statement made in that report? Having reviewed the history of loan and trust corporations, the select committee had this to say about them:

"Trust companies have proved the amazing adaptability of the trust concept and its usefulness in serving the capital formation requirements of the consumer public. In making legislative changes, the Ontario Legislature should be mindful of the importance of strengthening loan corporations and trust companies as important financial institutions and of encouraging their further development to serve the needs, particularly amongst the consumer public, for highly efficient facilities for capital accumulation and capital borrowing and for efficient fiduciary services."

That was what we felt was essential with respect to the trust companies. We then went on to recommend that "loan and trust corporations should continue to be subject to their own separate legislation in Ontario and that the act relating to such corporations be completely revised and redrafted consistent with the specific recommendations of this report."

If the government had taken into consideration the recommendations with respect to the preconditions of incorporation of an Ontario corporation, with respect to the preconditions of the registration of any corporation, whether Ontario, federal or extraprovincial, in this province, and with respect to the preconditions that would have had to be established in order that the annual licence of any one of those companies could be renewed, I believe we would not be in the kind of difficulty we are in today.

We had recommended, not only for the incorporation of an Ontario corporation but also for the registration of any loan and trust corporation in Ontario, and with respect to the annual renewal, that the following requirements be met: (a) the fitness both as to character and as to competence of the proposed management, applicants, permanent directors and executive officers to manage a loan or trust company; (b) assurance that the persons who own and are providing and control the funds put forward to finance the proposed company are themselves responsible; (c) assurance that a financially viable operation is proposed or, in the case of extraprovincial and federal companies, that those companies are in a financial condition where the interests of the public who invested their money by way of deposit or by way of investment in other instruments to represent their loans, would have confidence. We then

went on to deal with two or three other matters.

Those particular items would have gone a long way towards ensuring the kind of inherent calibre and capacity of the loan and trust people to be able to deal with these companies. One must not forget for one moment that the use of the word "trust" in a corporation is in itself a most valuable commodity. A trust company in Ontario has a very special and particular relationship to members of the public, especially to members of the public in a riding such as Riverdale. I want to say that one does not tamper with the term "trust corporation" or with the way in which they are operated without having to accept very severe penalties if the public interest is in any way abused.

We went on to deal with share transfers. We did not make any specific recommendations to amend the present provision which is being amended in the bill that now is before us. But we foresaw the kind of problems—

Interjection.

Mr. Renwick: If the Leader of the Opposition would let me speak to the minister, I would really appreciate it. Perhaps I could wait until the conversation is completed.

In 1975, the committee had this to say with reference to the transfer of shares: "The committee has concluded that it does not wish to recommend any changes to the act in this connection but does wish to record the fact that it would be a matter of concern to the committee should control of Ontario corporations"—that was a defined term meaning Ontario trust companies or loan corporations—"become concentrated within a relatively few corporate groups." That warning was there in 1975, but nothing took place in connection with it.

There are many other references in this report to the failure of the government to have the law of loan and trust corporations updated. To have thought for a moment that a select committee could have anything useful to say about loan and trust corporations is something that the members of that ministry have great difficulty in understanding.

On page 107 and the following pages of the report, we recommended very specifically protections for shareholders of corporations. I am going to refer to only two specifically, although there were many others we recommended. One was, "Accordingly, the committee recommends that the act be amended by adding thereto a new section in the same terms as"—what was then—"section 99 of the Business Corporations Act," which was to provide for a derivative action to

the courts by a minority shareholder to protect the corporation when the directors of the corporation were not prepared to protect it.

We made a further recommendation that, "The committee considers that it would present a further safeguard if, in addition to the regulatory controls under the act, a shareholder or a creditor had a statutory right to seek an order"—an order from the registrar—"requiring a corporation, or a director, officer or employee of a corporation to comply with any provision of the act"—that is, the Loan and Trust Corporations Act—"the charter or the bylaws of the corporation." The committee went on at great length recommending protections for shareholders, some protections for creditors, and expressing a very deep and real concern.

It is fair to say that, as my leader said, the minister raised the question of "value" in a delightfully philosophical way, asking what the word "value" really means. I am not suggesting that the hybrid version of "value," as the word is used by highly priced practitioners trying to make a fast buck in fiduciary organizations, was in existence at the time. What I am saying is that if the recommendations we made in this report had been substantially adopted, if there had been a new statute on the books, it would have been much more unlikely that the sophisticated revision of the term "value" so that fraudulent purposes could be accomplished would have happened. Then we would have had an opportunity, in an orderly way, to consider this bill.

I have tried to study the minutia of the terms of the specific amendments. I believe they appear to be adequate to accomplish the purposes that are required. I do not believe that a committee of the whole House could usefully amend those provisions by making some changes and trying to understand them. I take the technical draftsmanship to be accurate in reflecting the purposes the minister has put forward. I notice very clearly in this bill that for the first time the registrar is going to be given powers, under the new section 158a, not only with respect to Ontario trust companies—that is, trust and loan corporations incorporated under the laws of Ontario—but also with respect to the assets, as I understand it, within the province of federally incorporated trust companies, or trust companies incorporated elsewhere in Canada.

5:40 p.m.

I wanted to take the time to make these comments so that we do not think that somehow or other this was an ad hoc piece of legislation and all is good and well in the world of loan and

trust corporations legislation. It is far behind and drastically outdated. It is no excuse for the minister to tell us that we cannot make snap decisions about it.

Over the years, the government has been in default in failing to bring in a long time ago the kinds of amendments and revisions of the Loan and Trust Corporations Act which were reflected in that report. One pays the price down the road for not having done it. We are not playing a political role in this thing, but many of the problems the government has faced are due to the inability of this ministry over the years to modernize and adapt the law of loan and trust corporations to the exigencies and changes in business practices of the 1970s, let alone the 1980s.

We look forward to the white paper and a revision of the law in due course. We will certainly be wanting very serious consideration of those proposals. The minister has assured us they are finally going to come in the early days of 1983.

I close by saying that I want the minister to take the House into his confidence now with respect to however the present activity in the loan and trust field requires this legislation today. What is going to happen tomorrow, Friday or next week that he does not want to happen? What is he going to do about it, either with respect to the first principle in the bill, that is, control over transfers of shares which would give a larger than 10 per cent controlling interest or with respect to the very elaborate provisions of extension of powers granted to the registrar under the proposed new section 158a?

We support the bill. We have agreed with the passage of the bill in all of its stages in one day. We hope it accomplishes the purpose. We would like the courtesy to be told why. Thank you.

Mr. Cunningham: Mr. Speaker, I will be very brief in my comments on this item of legislation. I believe this minister is paying the political price for what I consider to be gross negligence on the part of a number of his predecessors in their truculence, reluctance, call it what you may, and their continuing inability to address themselves to the obvious deficiencies in the Loan and Trust Corporations Act.

While I have not been in the minister's office at 555 Yonge Street, they have had so many ministers it probably should not say "Dr. Elgie" on it, it should say "Occupant." More than anything, that has resulted in the lack of under-

standing of the obvious deficiencies that exist in this legislation.

Personally, I do not find any great pleasure in blaming the minister in a political sense for the ongoing difficulties his ministry has had. We have heard the litany of failures in the past. I have articulated them here in this House, as have other members. We are all too painfully aware that the pattern is invariably the same on almost every single occasion: Co-operative Health Services of Ontario, Argosy, Astra/Re-Mor. In fact, some of the same players find themselves inextricably involved in several of those awful fiascos.

The government should have known a minimum of two years ago, when the Astra/Re-Mor matter reared its ugly head in Ontario, that the current legislation was woefully inadequate and grossly deficient. Moreover, I think it should have been painfully obvious to the minister, and more important to the people within his ministry, that a little more diligence was required in the administration of the act we already have.

Over the Christmas holidays, the minister might want to reflect briefly on the transcripts of the justice committee. He will not find it very exciting reading, if he has not read it already. Testimony was given before us, most of it sworn, indicating just how Astra became licensed under the current Loan and Trust Corporations Act.

He will read clearly the testimony given to us by one of his many predecessors, Mr. Clement, and will see that, contrary to what has been advanced in the media and occasionally in this House, the Astra aspect of the Astra/Re-Mor fiasco was not entirely a federal matter. The matter emanated from the inadequacies of the enforcement of this current item of legislation and the act itself.

It has been raised many times. That more than anything will give him a microcosm of the deficiencies that exist in that act itself. I do not think it will be presumptuous whatsoever to advance this view: had these amendments been in place two or three years ago, or in advance of the licensing of Astra Trust, I suggest Carlo Montemurro and that happy band of his, who are still on the loose, would not have been able to persuade the government to obtain the licensing they used, which to date has caused so much pain and so much agony for so many people who were not speculators but were depositors.

In a matter of only two months it will be two years to the day since our Premier indicated

during the course of a political campaign that we would have a swift and expeditious hearing of this matter so those people who have been abused and have lost their life savings would get them back if the courts determined it.

We have a question raised by my colleague and good friend the member for St. Catharines, who has yet again raised that matter in this forum, to request that the money be paid to the people who have been done out of it.

I would say to the minister, reflect on those questions, reflect on the commitment made by our Premier to have a swift and expeditious hearing of this matter, since it is now on the verge of being two years to the day since that promise was made, and contemplate during the course of Christmas possibly paying those people who have been done out of a lot of money.

Mr. Bradley: Mr. Speaker, those of us who had the opportunity to sit on the justice committee through the difficult days of fall 1980, December 1980, and January and early February 1981, recognize the ramifications of this bill. Many of us would have hoped amendments of this kind would have been in place well before that scam operated in Ontario.

To use an old adage, this is somewhat like closing the door after the horse is not only out of the barn but is well on his way to Switzerland with the money. As a result, a lot of people are out of pocket. These are not wealthy investors. They are small investors. Many of their life savings were placed in a company known as Re-Mor and, for that reason, I think in hindsight we would recognize it would have been beneficial to have had this bill many years ago.

I suppose those who talk about British Mortgage and Trust and Atlantic Acceptance could also have taken some consolation from the fact that legislation of this kind would have been in place.

I asked a supplementary question not long ago to a question on Argosy by the member for Riverdale, who has an interest in Argosy as well. The minister would be aware the Ombudsman has investigated, or is trying to investigate, the Argosy situation. He has not been successful in obtaining the necessary documents because it is contended by the Ministry of the Attorney General these are items that are required for court cases and for police investigations.

We also have the example of Astra Trust and the example of Co-operative Health Services of Ontario where people were done out of their money, people who thought they were investing in a government sanctioned and supervised

institution and were led astray by the fact that somehow there was a stamp of approval placed on the financial institution by the provincial government.

I well recall my colleague the member for Kitchener first raising this matter in committee back in the spring of 1980. A lot of people forget that, but it was the member for Kitchener who first spotted that. Along with the member for Wentworth North (Mr. Cunningham) and the former member for Lincoln, Ross Hall, he questioned the then minister, the present Minister of Community and Social Services (Mr. Drea), in some detail on this matter. This is how it began, and then the questioning in the fall.

5:50 p.m.

Naturally we are in the position of supporting this piece of legislation, because it is going to be necessary under the present circumstances, but certainly the minister is not able to pat himself on the back as a result of bringing it in at this time. Had the government done this four or five years ago, we would have joined in the great applause for whoever the minister would have been at the time to bring in such legislation. Now it is only a tiny tap on the desk for the minister who is bringing this in to deal with what amounts to an emergency circumstance. But it does little good for those, particularly in the Re-Mor situation, who are out of pocket because of the lack of such legislation. At least, that is one factor.

In concluding my remarks this afternoon I once again implore the Minister of Consumer and Commercial Relations, because his ministry and the government did not have the foresight to introduce legislation of this kind before, to pay the compensation that would provide at least belated justice to the victims of Re-Mor, who have been waiting a long time and who have been dragged through the courts and other processes in an attempt to get this justice.

I know that the minister, being a man who recognizes what justice is—he has legal training; he is a fair man on so many occasions—would want to act very early in the new year. I asked him earlier today to act at this time; he is not prepared to, but he will be prepared to act early in the new year to redress the wrongs that have been perpetrated on the Re-Mor victims, by providing the kind of compensation that will at least alleviate some of their financial concerns in the months and years ahead.

The Deputy Speaker: Does any other mem-

ber wish to participate in this debate? No. Then, in conclusion, the minister.

Interjections.

Hon. Mr. Elgie: What's wrong with you? Put your hand on that. You heard what the member for St. Catharines said: I deserve a tap. Now tap that table.

Interjections.

Hon. Mr. Elgie: There we are: one tap. One tap from the wrong side is probably worth something; I am not sure what, but it is probably worth something.

Interjections.

Hon. Mr. Elgie: Mr. Premier, why do you keep going to desks where there are apples, may I ask? You have stolen so many today.

Hon. Mr. Davis: I am a great believer in Ontario apples, and I see some going to waste.

Mr. Kerrio: An apple a day keeps the doctor away.

Hon. Mr. Elgie: Oh, you can't keep the doctor away from you. I'll get at you one day, Vince. You never know.

Mr. Martel: Bridling free enterprise again; so much for capitalism.

Hon. Mr. Elgie: Mr. Speaker, on behalf of the member for Sudbury East, I want to speak on behalf of the free enterprise system in this province.

Interjections.

Hon. Mr. Elgie: No, I don't. He wouldn't want me to do that, Mr. Speaker.

My remarks will be brief and, I hope, responsive to many of the issues raised; and where they are not, I trust that members will have consideration for some of the comments I may have with respect to that.

The Leader of the Opposition made reference to the bill and supported the powers the government is seeking in it, and he made some comments with respect to extraordinary powers. Before one accepts this on the face of it as really what the bill represents, I think we should all remember that if one wishes to incorporate a trust company today in this province it is necessary to go through a certain process of approval with respect to the fitness of the person or persons and with respect to the need and the public interest involved in the establishment of such a trust company.

The principle of having the same type of approval process with respect to the transfer of ownership of an existing trust company does

not, therefore, seem to me to be such an unusual or extraordinary power, and I suspect that most in this room at this time would agree with that.

The other aspect of the bill relates to the government's power through the registrar to control the operations and/or assets of the corporation and to impose terms and conditions, should it be deemed necessary in certain circumstances. Again, I would not want the public or others who may be reading this debate to think that too is an extraordinary power. Members will remember very clearly that we stood in this assembly last December and inserted the exact same powers into the Credit Unions and Caisses Populaires Act.

So we are not talking about some strange new powers that have been dreamt up on the spur of the moment. I think we are looking at prudent and responsible measures that the government feels at this time should be introduced in anticipation of a broader review of the Loan and Trust Corporations Act.

Several members have commented on the Astra/Re-Mor matter and some have suggested if these amendments had been in—

Mr. McClellan: Free enterprise.

Hon. Mr. Elgie: Why doesn't the member for Bellwoods sit over here on this side so we could hear him more clearly?

Mr. Breagh: Put it in writing.

Hon. Mr. Elgie: Would he be welcome here?

Some hon. members: No.

Hon. Mr. Elgie: I am sorry, I apologize. I was speaking for myself and not for all; maybe not even for myself, but anyway I was speaking.

Some members were commenting on Astra/Re-Mor and suggesting that perhaps had these amendments been in place two years ago those events might not have taken place. Let me point out a couple of things. First of all, Re-Mor was not a mortgage loan company, Re-Mor was a mortgage broker. Let me point out that the only trust company involved was the federally incorporated Astra Trust. Let me point out—

Mr. Cunningham: Mr. Speaker, just to correct the record, because it should not be left incomplete, the harsh fact of reality is that Astra was licensed by this very item of legislation that we are debating today. Let there be no misconception.

Hon. Mr. Elgie: I know the member, in his anxiety, was afraid that I would leave it at that; but I am saying, having clearly recognized in that situation that there was some inadequacy in

the manner in which that trust company was being supervised, these amendments might well have played a role with respect to Astra Trust and with respect to the fact that company had been given a charter.

I am very appreciative of the remarks made by the Leader of the Opposition. Again, as I have said to him, the government will be introducing a white paper. It would be my hope to have legislation before this House next year. In any event, I did give the member an undertaking that if that were not the case—I do not anticipate it—that we might look at the white paper and some committee process.

To the member for York South (Mr. Rae), I promise I will never raise that issue again with him. I made that commitment to him. I always keep commitments private so I will not talk about what they were. That is an old rule I learned when I was a practising neurosurgeon. I will not talk about the commitment I made to him when he was over here.

Hon. Mr. Davis: It was usually made when the patients were under the anaesthetic.

Hon. Mr. Elgie: It was usually made when the patient was under anaesthetic? No, it was not; it was a commitment I made when they were wide awake.

Again, the member asked what particular circumstances or transactions I had in mind. The member for Riverdale made reference to a portion of my statement in which I said, "We are aware of activity in the loan and trust field that as a matter of prudent administration should be subject to review and, where required by the public interest, controlled."

Clearly what we have seen this fall is acquisition of trust companies. Clearly that is exactly the sort of thing that is intended by that statement. The government feels it is prudent and responsible to apply the same principle to transfers as it does to the starting up of a new trust company. There is nothing more cynical or more sinister about it than that.

The member for York South also, in what I thought was a rather praiseworthy way, complimented the government for introducing legislation of this sort and implied that it would enable him and his party, in the not too likely possibility they ever came to power, to take over the world with this sort of legislation, which clearly means we have to get a new bill in place to make sure that never happens. But perhaps it would never happen anyway and perhaps we can all rest on the assurance that the bill could stay in for another 40 years and the unlikely

takeover of the province's loan and trust industry might never occur.

6 p.m.

But I do agree with him completely in this regard. The loan and trust companies have a special fiduciary relationship to their depositors and they have a special relationship and obligation to the public, because through the Canada Deposit Insurance Corp. the deposits of the public are protected. That therefore imposes special responsibilities on them and I think that sort of special responsibility more than justifies the type of powers which the government is suggesting and asking for in the amendments before the House.

The issue of valuation is a difficult one and I appreciate that the member for York South and the member for Riverdale would like me to stand here today and say what that is. But frankly that is an issue which will be under consideration. That is an issue which the Morrison examination is addressing itself to at the very moment.

I hope the member understands that with genuine differences of opinion about the meaning of that it is impossible for me at this time to comment on what the position of this ministry will be as we proceed with the special examination. Those are matters we will have to deal with as they proceed. But clearly that will be one of the issues which will have to be discussed as we review the process and come up with a white paper.

The member for York South and the member for Riverdale commented on my commitment on the last page of my statement where I made it clear that if the necessary information was not forthcoming from any of the companies involved in the transactions we would take steps necessary to broaden our inquiry. I would like to think that is not a new commitment. I recall having stated several times in this House that our options were open and I was not precluding a number of different types of approaches. To me, that commitment was just a reaffirmation of what I had already said, but I am pleased both parties in the opposition feel that is an important matter to clarify.

Again, comments were made about the white paper and the content in it, and the particular wish that the issue of disclosure be discussed. I would remind the interested members in the House that the bill before us, in subsection 2(4), allows the registrar from time to time, in writing, to direct a corporation to obtain from any person in whose name a share of the corpora-

tion is held or beneficially owned, a declaration concerning certain matters. I would submit that section permits the registrar to obtain information with respect to beneficial ownership in great detail.

I understand that is not what some members would support. I understand they would support the principle that it is an ongoing obligation of the corporation to report that information from time to time as it was deemed appropriate; but since this is an issue that clearly is contained in this bill, the issue of disclosure, and since I have already said the white paper will cover matters raised in this bill, I think members will agree that the issue of disclosure will therefore be part of any white paper consideration.

The issue on concentration of power, as I mentioned to the House before, is one that is now in the white paper of the federal government. We will be interested in their comments and we will be considering whether or not that too should be an item that is considered in the white paper.

I regret the member feeling that the spring will be an even hotter session. I have not felt this has been a hot session. It has been cool, calm, relaxed, going out to dinner with—never mind who he went to dinner with on occasion—but it is usually a very pleasant sort of relationship in this House. If it seemed hot to the member perhaps he had the wrong—no, I am not going to mention what he had in his hand. I promise; never mind.

I am looking forward to the spring session and to the winter session with anticipation, because whether it is hot or warm it will always be pleasant in here.

The member for Riverdale asked specifically and repeatedly for me to outline what activity led to the introduction of this bill. A special examination is taking place before this ministry at the moment, under section 152, into the conduct of the business of a number of companies. I really do not think that he should expect this minister to reveal at this time, in the absence of a full and complete report from that investigation, the information that is available to him.

I think that is the kind of obligation and responsibility a minister has in this office. I hope he will understand me when I indicate I am not prepared to outline it in detail, nor do I have that kind of information at my fingertips to provide to him.

The member did make a comment on the issue of amalgamation and merger and men-

tioned that the act did not deal with that. I would refer him to the Loan and Trust Corporations Act, section 138, specifically subsection 138(2). It says, "The registrar shall submit the agreement or offer for the assent of the Lieutenant Governor in Council." So the present legislation already envisages a final concurrence by the Lieutenant Governor in Council to any amalgamation or merger.

I appreciate there was a select committee some few years ago, and the member will appreciate that the development of law in the process we are all involved with here is sometimes a process that takes time in order to fully evaluate the needs. It is our view that economic circumstances and business practices which appear to be changing in recent times do merit the introduction of this legislation at this time and do merit a review of the issue.

I can only thank members once again for their support for the legislation. I wish everyone a very pleasant Christmastime and I thank the member for St. Catharines for the small tap. Thank you very much.

Motion agreed to.

Third reading also agreed to on motion.

The Deputy Speaker: Is the Attorney General (Mr. McMurtry) expected? I am looking for some guidance, Mr. Premier.

Mr. Martel: Mr. Speaker, it was my understanding in discussions just a few moments ago with the government House leader, if that is the Attorney General's bill you are talking about, that he did not propose to bring it forward this afternoon.

Hon. Mr. Davis: If it is the desire of the members opposite not to have this bill—

Some hon. members: No.

Hon. Mr. Davis: I should not say not to have it. If all members were aware of the circumstances, one or two might like to say a word or two about the law society but this is a very modest amendment, really, to confirm what convocation has done, to allow a very distinguished deputy minister of this government to assume other responsibilities. I would be delighted, if we could do it in two minutes, to take carriage of the bill, if that does not upset the member for Ottawa Centre (Mr. Cassidy) or the expert on the law society from Brant-Haldimand-Norfolk.

Mr. Nixon: Mr. Speaker, if I may respond on a point of order: I am a modest expert on the law society and we are appointing a very respectable gentlemen to a new position, but I do not

know where else we can talk about the law society. Certainly, since we are so quick to respond to the Premier's blandishments the last few days, I would be the last to stand in the way of something the Attorney General thinks is so important that he is not in the House to conduct it himself.

6:10 p.m.

I have been told by the government House leader the appointment of Rendall Dick is not based on this bill, but if there is some special reason why it should go forward without any other notice I would be the last to stand in its way. There will no doubt be other occasions when the Premier will bring it forward in this House for us to have a far-ranging discussion about the future of the law society and its under secretary.

Mr. Martel: Mr. Speaker, we had reached agreement earlier this afternoon about bills that would be called, and when I encountered the House leader just a few moments ago he had determined it would not proceed. We have no objection to the bill proceeding. I checked with the critic for the New Democratic Party and he has indicated his willingness to see it go through. We have no objection to it.

LAW SOCIETY AMENDMENT ACT

Hon. Mr. Davis, on behalf of Hon. Mr. McMurtry, moved second reading of Bill 199, an Act to amend the Law Society Act.

Hon. Mr. Davis: I appreciate that. I would just very briefly explain that Mr. Dick has been approached and has accepted an appointment from the Law Society of Upper Canada to become the under secretary or whatever it is—

Mr. Nixon: Under treasurer of the Law Society of Upper Canada, a lesser priest.

Hon. Mr. Davis: Under treasurer, I am sorry. Apparently, according to the rules of convocation, it is necessary to have this very modest amendment, and I move second reading of Bill 199. In moving second reading I only have one observation to make. I have known a lot of public servants in my time here at Queen's Park, and there are very few as able or as dedicated as Mr. Dick. While I was disappointed when he accepted this appointment, quite honestly—when I say disappointed, I will miss him—speaking for the government, and I have a sense for many members opposite who have dealt with him over a number of years, I wish him well in his new endeavours as I move second reading of Bill 199.

Mr. Breithaupt: Mr. Speaker, I would concur in the comments the Premier has made with respect to the placing of this bill before the House at this time. In the move by Rendall Dick to a new position as under treasurer of the law society, we have a particularly skilled and knowledgeable public servant taking on a very serious and demanding task. During the few moments we had to discuss this theme in the estimates of the Attorney General, the contribution I made to that discussion was simply to read a series of headlines, a variety of troubling articles that have been written about the whole operation of lawyers and others within the justice system.

We have seen a large increase in thefts from trust accounts. We have seen more and more disbarments and problems as underemployed lawyers get into mischief. We are uncertain in this society how many lawyers are enough, and, indeed, the membership of the law society has doubled in the past few years. We have seen insurance costs escalating as many of these defalcations lead to a falling back on the payments that have to be made to people who have been defrauded.

The whole structure of the law society, the election and duties of the benchers, is going to be under question in the next several years. Certainly Mr. Dick, as a former Deputy Treasurer of this province, and as a former and present Deputy Attorney General, will bring particular skills as he takes on dealing with some very thorny problems that are going to face those in the legal profession and all of us in the Legislature. Perhaps there will be an opportunity when the Courts of Justice Act comes before us to talk about the Law Society of Upper Canada and its future and prospects.

Certainly we on this side of the House wish Rendall Dick well as he takes on these duties, and I hope he does not find the challenge overwhelming. We support the bill and I wish Mr. Dick well on his appointment.

Mr. Renwick: Mr. Speaker, some of my colleagues are getting a little bit restless and perhaps want to participate—not restless for the reason one might think, but restless because they may want to be urged to participate in the debate on this bill. I do not want to take too long on it. I have had occasion to express my regard for Rendall Dick and I need not repeat the admiration I have for him.

However, I can say to the law society through the medium of this assembly that it is none too soon that they had a chief executive officer to

take charge of the affairs of that society, because the society is in disfavour in the eyes of many members of the public these days. They are indeed fortunate in having Rendall Dick to take over that position.

It is very seldom I agree twice in one day with the comments made by my friend from Kitchener, but if anybody wants to read the reasons that we need this kind of bill and this position, and why we are fortunate in having Rendall Dick, I refer them to the comments made by the member for Kitchener in the standing committee on administration of justice on Friday, December 17.

With that, sir, we support the bill.

Mr. Nixon: It would be entirely too incestuous if this bill were to carry with only those learned in the law participating. As a representative of someone who potentially might pay the bill associated with this, I feel I should join with my colleagues in both parties to say what a high regard I have personally for Rendall Dick. If we ever had a mandarin in the best sense around here, he fulfils the qualifications for that category.

Perhaps being a bit partisan, I saw him only once when as Deputy Treasurer he undertook to defend the government's policy in previously severing certain of its employees. It was the only time I felt his commitment to the government party was perhaps a little fuller than his commitment to the session of the church.

I personally feel that while the lawyers of this province, through their professional organization, need as much guidance as we can possibly give them, the problems we are experiencing through the chief law officer of the crown in guiding provincial judges is probably just as great.

I was personally disappointed that the talents of Rendall Dick are going to be lost to the government, or at least to the judicial emanation of the government. In my view he would have made a perfect chief judge of the provincial court because somebody should be rattling their slats a bit and putting them back to work. When I see them walking around with their striped pants showing under their robes—we even pay the dry-cleaning costs for their robes—I wonder if the chief judgeship is not a position where we need stronger leadership.

I particularly asked the government House leader whether this bill was necessary for the smooth transition of Mr. Dick from his present employment to his new employment and I was told it was not.

I understand we will be back here in two or

three weeks and this would have been a good opportunity for members of the House who are concerned about the matter and concerned about certain policy matters pertaining to the Law Society of Upper Canada to express their views. I regret very much that the pressures that are exerted from all sides in this regard are such as to make it not a useful time to do so.

I would like to end my comments by saying I support the bill and the appointment it is intended to accomplish. I wish the compliments of the season to all, even those learned in the law.

Hon. Mr. Davis: In reply to those observations, I not only will make sure that Mr. Dick gets a copy of today's Hansard, but I will send it to the treasurer of the law society so he is fully aware of it.

Since this may be the last time I am on my feet before Christmas, may I extend in a very sincere way my best wishes to all members of the House and thank them by and large, with one or two exceptions, for the co-operation extended through the orderly passage of legislation and estimates.

I would say to the member for Brant-Haldimand-Norfolk or whatever (Mr. Nixon), even though he is not a lawyer we appreciate his observations. I am sure he will have an opportunity at some time in the future to comment on the law society.

The only thing I would say to the member for Kitchener (Mr. Breithaupt) is that if he is advocating a restriction as to the people admitted to the bar, I will not support any such policy until after March 1983, when my personal interest will diminish somewhat. I hope he will have passed his bar ad, and I will not worry any more.

Motion agreed to.

Third reading also agreed to on motion.

6:20 p.m.

ROYAL ASSENT

Hon. Mr. Aird: Pray be seated.

Mr. Speaker: May it please Your Honour, the Legislative Assembly of the province has, at its present sittings thereof, passed certain bills to which, in the name of and on behalf of the said Legislative Assembly, I respectfully request Your Honour's assent.

Assistant Clerk: The following are the titles of the bills to which Your Honour's assent is prayed:

Bill 188, An Act to amend the Assessment Act;

Bill 191, An Act to provide for the continuation of the Provisional County of Haliburton as the County of Haliburton;

Bill 196, An Act to amend the Provincial Court (Civil Division) Project Act;

Bill 198, An Act to provide for an Interim Restraint on the Pass Through of Financing Costs in respect of Residential Complexes;

Bill 199, An Act to amend the Law Society Act;

Bill 205, An Act to amend the Workmen's Compensation Act;

Bill 212, An Act to amend the Loan and Trust Corporations Act; Bill Pr6, An Act respecting the City of Windsor;

Bill Pr39, An Act respecting the City of Windsor.

Clerk of the House: In Her Majesty's name, the Honourable the Lieutenant Governor doth assent to these bills.

The Honourable the Lieutenant Governor was pleased to retire from the chamber.

On motion by Hon. Mr. Wells, the House adjourned at 6:28 p.m.

APPENDIX A

ANSWERS TO QUESTIONS ON NOTICE PAPER

TRIP TO ENGLAND

279. Mr. T. P. Reid: With reference to the "job hunting" trip taken by eight ministry officials to London, England, between May 7 and June 6, 1982, would the Minister of Revenue provide: (1) the names, positions and salaries of the ministry officials who were on the trip; (2) the total expenses incurred by the ministry for the trip (disaggregated into air transportation, land transportation, accommodation and meals); (3) the names, positions and salaries of the individuals hired for the ministry's management systems branch; and (4) the total relocation costs for the employees hired in England? [Tabled September 29, 1982]

Hon. Mr. Ashe: 1. The names, positions and salaries of the ministry officials who were on the trip: Mr. J. S. Purdon, executive director, support services division; Mr. F. Cholmondeley, director, administrative and financial services branch; Mr. W. H. Russell, acting director, management systems branch; Mr. C. Lopes, systems specialist; Mr. D. A. Smith, manager, information centre; Ms. L. R. Mitchell, manager, operations and control; Mr. K. McNeil, senior planning specialist; Mr. J. Julien, manager, personnel services.

2. The total expenses incurred by the ministry for the trip, disaggregated into air transportation, land transportation, accommodation and meals: air transportation, \$9,325.20; land transportation, \$1,224.52; accommodation, \$12,474.00; meals, \$7,513.91.

3. The names, positions and salaries of the individuals hired for the ministry's management systems branch: D. Blake, business systems analyst; P. Deighan, APL analyst/programmer; P. A. Griffiths, systems analyst; D. A. Nicholl, analyst/programmer; D. M. Whyte, business systems analyst; A. Wilson, project leader; N. J. Mayne, programmer; S. R. Mills, programmer; G. Pratt, programmer; L. S. Pyke, systems analyst; M. Rysiecky, project leader/planning specialist; G. L. Jones, programmer; C. Leahy, analyst/programmer; H. D. Simpson, programmer; R. W. Gibbs, business systems analyst; D. E. Milne, project leader/planning specialist.

Salary levels fall within the norm for the noted positions.

4. The total relocation costs for the employees hired in England are unknown since to date

only two of the above have actually arrived. The ministry has budgeted a maximum allowance of \$8,000 per candidate, including family, and it is anticipated that the actual costs will be less than budgeted.

TRILLIUM EXPLORATION CORP.

282. Mr. Kerrio: Would the Minister of Energy advise what the annual salary of the yet-to-be-appointed full-time president of the Trillium Exploration Corp. is to be? [Tabled September 29, 1982]

Hon. Mr. Welch: A full-time president of the Trillium Exploration Corp. has not yet been appointed.

283. Mr. Kerrio: For the Trillium Exploration Corp., would the Minister of Energy provide information on the total expenses incurred and a breakdown thereof between June 30, 1982, and September 27, 1982? [Tabled September 29, 1982]

Hon. Mr. Welch: The two-thirds share of total expenses incurred by the Ontario Energy Corp. for the period June 30, 1982, to September 27, 1982, in establishing the Trillium Exploration Corp. is as follows:

Management consultants, \$12,565; legal services, \$21,732; geological services, \$28,093; travel and communications, \$6,141; miscellaneous, \$325; total, \$68,856.

504. Mr. Kerrio: Would the Minister of Energy specify the amount of money spent or estimates to be spent by the Trillium Exploration Corp.: (1) between June 30, 1982, and March 31, 1983; (2) for the fiscal year ending March 31, 1984; (3) for the fiscal year ending March 31, 1985; (4) for the fiscal year ending March 31, 1986, and (5) for the fiscal year ending March 31, 1987? Please specify estimated gross and net expenditures to be made during each of these time periods as part of the Labrador farm-in agreement. [Tabled October 5, 1982]

Hon. Mr. Welch: The estimates of gross expenditures by Trillium Exploration Corp. for the periods in question, together with the most recent estimates of gross and net expenditures by Trillium under the Labrador farm-in agreement are given below.

It should be emphasized that these figures are estimated on the current exploration plans and

assumed seismic and drilling programs for Trillium. To date, only the Labrador farm-in program has been committed. Changes in these programs will undoubtedly occur since the programs will be reviewed by the various

participants on a regular basis. In particular, the programs could be affected by many factors, e.g. annual drilling and seismic results, availability and cost of drill ships, weather, etc.

**Trillium Exploration Corp.
Estimated Expenditures (\$ Million)**

Period	Gross Expenditures	Labrador Farm-in Expenditures	
		Gross	Net*
June 30, 1982-March 31, 1983	23.7	12.7	2.5
April 1, 1983-March 31, 1984	37.5	19.8	4.0
April 1, 1984-March 31, 1985	42.2	22.3	4.5
April 1, 1985-March 31, 1986	34.7	14.5	2.9
April 1, 1986-March 31, 1987	50.8	18.0	3.6
April 1, 1987-March 31, 1988	28.7	—	—

*Assumes all expenditures are eligible for maximum Petroleum Incentive Program (PIP) payments (80 per cent). Net cash requirements will fluctuate depending on the timing of PIP reimbursements.

ONTARIO ENERGY CORP.

284. Mr. Kerrio: Would the Minister of Energy provide the following information regarding the annual reports of the Ontario Energy Corp.: (1) the total production costs for the 1980 and 1981 annual reports; (2) the total number of annual reports produced in 1980 and 1981; (3) the total number of 1980 annual reports distributed; and (4) the total number of 1981 annual reports distributed? [Tabled September 29, 1982]

Hon. Mr. Welch: 1. The total production costs for the Ontario Energy Corp. 1980 and 1981 annual reports were \$30,463.75 and \$66,206 respectively.

2. The total number of annual reports produced was 3,000 for 1980 and 9,000 for 1981.

3. The total number of 1980 annual reports distributed was 2,965.

4. The total number of 1981 annual reports distributed so far in 1982 is 8,100.

505. Mr. Kerrio: From the Ontario Energy Corp.'s consolidated statement of income and retained earnings for the year ended December 31, 1981, \$2,018,547 is shown as being assigned to general and administrative expenses. Would the Minister of Energy provide a breakdown of these expenses under the following headings: salaries and employee benefits, premises, travel and meetings, professional services, communications, office, depreciation and other? [Tabled October 5, 1982]

Hon. Mr. Welch: Detail of general and administrative expenses as shown on Ontario Energy Corp. consolidated statement of income and

retained earnings at December 31, 1981:

Salary and employee benefits, \$806,839; premises (rent, repairs, maintenance, etc.), \$201,674; travel and meetings, \$100,954; professional services, \$482,549; communications (phone, mail, exhibits, etc.), \$368,563; office (supplies, stationery, etc.), \$36,537; depreciation, \$31,431; total, \$2,028,547.

609. Mr. Kerrio: Would the Minister of Energy table the December 1981 joint venture agreement signed between the Ontario Energy Corp., Canertech Inc. and Omnifuel Gasification Systems Ltd. to develop and market commercial gasification systems? [Tabled October 22, 1982]

Hon. Mr. Welch: In order to determine whether its joint venture partners would be agreeable to the tabling of the agreement, the Ontario Energy Corp. contacted Canertech Inc. and Omnifuel Gasifications Systems Ltd. to see if they would consent. Canertech has advised that it cannot agree to the agreement being tabled.

610. Mr. Kerrio: Would the Minister of Energy table the March 1981 agreement signed between the Ontario Energy Corp. and Tricil Ltd., to develop electrical generating capacity at the S.W.A.R.U. plant in Hamilton? [Tabled October 22, 1982]

Hon. Mr. Welch: Tricil Ltd., which holds a 50 per cent interest in the joint venture, has advised the Ontario Energy Corp. that it does not wish to have the agreement tabled.

611. Mr. Kerrio: Would the Minister of Energy table the 1981 agreement signed between Ontario Alternate Energy Ltd. and Weston Energy Resources Ltd. to develop, test and produce ethanol from wood biomass? [Tabled October 22, 1982]

Hon. Mr. Welch: George Weston Ltd., which holds a 50 per cent interest in the Bio-hol joint venture, has advised the Ontario Energy Corp. that it does not wish to have the agreement tabled.

PETROSAR CONTRACT

285. Mr. Kerrio: Would the Minister of Energy provide the following information concerning Ontario Hydro's 1976 long-term contract with Petrosar Ltd. for the delivery of heavy fuel oil: (1) the date when the contract was signed and the expiry date; (2) the present value of the contract; (3) has the Minister of Energy ever seen the contract; (4) how much has been paid by Ontario Hydro each year between 1977 and 1982 not to take deliveries of the oil; (5) how much does Ontario Hydro expect to pay in each year between 1982 and 1992 not to take deliveries of the fuel oil; (6) total cost to Ontario Hydro to cancel the contracts; (7) total deliveries of oil that have been supplied to Ontario Hydro to date; (8) was the price for the oil under the contracts based on the market value of heavy oil, or if not, what was the price based on; and (9) will the minister table the contract and any reports by Ontario Hydro and the Ministry of Energy concerning the signing of the contract? [Tabled September 29, 1982]

Hon. Mr. Welch: 1. The contract was signed in September 1976, with deliveries beginning in 1977 and concluding in 1992.

2. The present value of the contract is subject to a number of major uncertainties including future oil prices, discount rates, petrochemical markets, and general economic conditions in Canada and elsewhere.

3. I have not personally seen the contract.

4. Under the terms of an amendment to the contract for the years 1977 to 1979, Petrosar received the following compensation in full satisfaction of any damages sustained as a result of Hydro taking reduced quantities of oil: 1977, \$3 million; 1978, \$6 million; 1979, \$11 million.

Agreement on the level of damages beyond 1979 has not yet been reached. However, in accordance with the contract terms, Petrosar has submitted damage claims for the years 1980 and 1981. While the level of damages claimed is

being verified through an independent audit, Hydro has made interim payments to Petrosar in the amounts of \$13 million for 1980, \$12 million for 1981 and, at the rate of \$1.5 million per month during 1982.

Under the terms of the arrangement regarding interim payments, the \$13 million paid in 1980 becomes an upper limit on Petrosar's damages for that year, and should this figure prove to exceed the actual damages sustained, then the excess amount would be returned to Hydro.

5. It is impossible to estimate annual costs to the end of the contract due to future uncertainties and the possibility of successfully concluding current negotiations towards a settlement of the contract.

6. This is the subject of current negotiations between Ontario Hydro and Petrosar, and the final outcome is unknown at this time.

7. Deliveries to Hydro are as follows: 1977, 2,142,000 barrels; 1978, 1,823,000 barrels.

8. The contract price is determined by a formula based on the price of Canadian crude oil delivered to Sarnia.

9. The tabling of the contracts and related reports could seriously prejudice the outcome of commercial negotiations and litigation between Ontario Hydro and Petrosar Ltd.

ONTARIO HYDRO GENERATING STATIONS

288. Mr. Kerrio: Would the Minister of Energy provide figures for the debt retirement charges for the Lennox generating station in each year from 1982 until the debt is retired? [Tabled September 29, 1982]

Hon. Mr. Welch: Ontario Hydro does not associate debt with specific fixed assets. Fixed assets are reported on the financial statements at historical capital costs net of accumulated depreciation (net book value).

At December 31, 1981, Lennox generation station had a net book value of \$396 million. Current accounting policy requires that the amount be depreciated on a straight line base over its remaining life. Thus, the station is depreciated at approximately \$16 million per year until the station retires in the year 2006. This amount is expensed as part of current operations.

289. Mr. Kerrio: Would the Minister of Energy provide the original capital expenditure estimate (separated into figures for design and construction, heavy water, and commissioning)

for the Bruce B nuclear generating station and the most recent estimate for final capital expenditures on this plant? What is the total amount

of money that has been spent to date? [Tabled September 29, 1982]

Hon. Mr. Welch:

Bruce Generating Station B

(\$ Million)

	Definitive Estimate	Current Estimate (1)	Spent to Date (2)	Committed To Date (2)
Design and construction	3,092	4,293	2,057	2,534
Commissioning	94	274	48	48
Heavy water	785	1,074	237	237
	3,971	5,641(3)	2,342	2,819

(1) As included in the semi-annual report to the government at the end of June 1982.

(2) As at the end of August 1982]

(3) Of the \$1,670-million increase in the current estimate from the definitive estimate, approximately \$1,030 million is primarily the result of higher than predicted interest and escalation rates.

(4) In 1981 constant dollars the per kilowatt cost of the project is \$1,723. This compares to \$1,726/kW for Darlington GS and \$2,188/kW

for Pickering GS B.

290. Mr. Kerrio: Would the Minister of Energy provide the original capital expenditure estimate (separated into figures for design and construction, heavy water, and commissioning) for the Pickering B nuclear generating station and the most recent estimate for final capital expenditures on this plant? What is the total amount of money that has been spent to date? [Tabled September 29, 1982]

Hon. Mr. Welch:

Pickering Generating Station B

(\$ Million)

	Definitive Estimate	Current Estimate (1)	Spent to Date (2)	Committed To Date (2)
Design and construction	1,775.0	3,045.0	2,069.0	2,086
Commissioning	43.9	157.0	48.1	48
Heavy water	357.8	640.0	254.0	254
	2,176.7	3,842.0 (3)	2,371.1	2,388

(1) As included in the semi-annual report to the government at the end of June 1982.

(2) As at the end of August 1982]

(3) Of the \$1,665 increase in the current estimate from the definitive estimate, approximately \$326 million is due to schedule deferrals resulting in additional interest and escalation costs; \$517 million is due to the steam generator rebuild program, the largest portion (\$444 million) caused by increased interest costs due to schedule delays; \$206 million is due to scope changes resulting largely from AECB requirements; and \$292 million is due to increased interest and escalation rates.

(4) In 1981 constant dollars, the per kilowatt cost of the project is \$2,188. This compares to \$1,723/kW for Bruce GS B and \$1,726/kW for Darlington GS.

291. Mr. Kerrio: Would the Minister of Energy provide the original capital expenditure estimate (separated into figures for design and construction, heavy water, and commissioning) for the Darlington nuclear generating station and the most recent estimate for final capital expenditures on this plant? What is the total amount of money that has been spent to date? [Tabled September 29, 1982]

Hon. Mr. Welch:

Darlington Generating Station
(\$ Million)

	Definitive Estimate	Current Estimate (1)	Spent to Date (2)	Committed To Date (2)
Design and construction	5,880	8,012	528	1,835
Commissioning	182	383	2	2
Heavy water	1,440	1,793	0	0
	7,502	10,188(3)	530	1,837

(1) As included in the semi-annual report to the government at the end of June 1982.

(2) As at the end of August 1982.

(3) Of the \$2,686 million increase in the current estimate from the definitive estimate, approximately \$2,578 million is attributable to revised escalation and interest rate forecasts.

(4) In 1981 constant dollars the per kilowatt cost of the project is \$1,726. This compares to \$1,723/kW for Bruce GS B and \$2,188/kW for Pickering GS B.

593. Mr. Kerrio: For the year 1981, would the Minister of Energy provide the following information on Ontario Hydro's Lakeview generating station: (1) energy output (GW-h); (2) annual capacity factor; (3) interest and depreciation costs in millions of dollars and in mills/KW-h; (4) operation and maintenance costs in millions of dollars and in mills/KW-h; (5) fuel cost in millions of dollars and in mills/KW-h; and (6) total unit energy cost in millions of dollars and mills/KW-h? [Tabled October 22, 1982]

594. Mr. Kerrio: For the year 1981, would the Minister of Energy provide the following information on Ontario Hydro's Lambton generating station: (1) energy output (GW-h); (2) annual capacity factor; (3) interest and depreciation costs in millions of dollars and in mills/KW-h; (4) operation and maintenance costs in millions of dollars and in mills/KW-h; (5) fuel cost in millions of dollars and in mills/KW-h; and (6) total unit energy cost in millions of dollars and mills/KW-h? [Tabled October 22, 1982]

595. Mr. Kerrio: For the year 1981, would the Minister of Energy provide the following information on Ontario Hydro's Nanticoke generating station: (1) energy output (GW-h); (2) annual capacity factor; (3) interest and depreciation costs in millions of dollars and in mills/KW-h; (4) operation and maintenance costs in millions of dollars and in mills/KW-h; (5) fuel cost in millions of dollars and in mills/KW-h; and (6) total unit energy cost in millions of dollars and mills/KW-h? [Tabled October 22, 1982]

596. Mr. Kerrio: For the year 1981, would the Minister of Energy provide the following information on Ontario Hydro's Thunder Bay generating station: (1) energy output (GW-h); (2) annual capacity factor; (3) interest and depreciation costs in millions of dollars and in mills/KW-h; (4) operation and maintenance costs in millions of dollars and in mills/KW-h; (5) fuel cost in millions of dollars and in mills/KW-h; and (6) total unit energy cost in millions of dollars and mills/KW-h? [Tabled October 22, 1982]

597. Mr. Kerrio: For the year 1981, would the Minister of Energy provide the following information on Ontario Hydro's R. L. Hearn generating station: (1) energy output (GW-h); (2) annual capacity factor; (3) interest and depreciation costs in millions of dollars and in mills/KW-h; (4) operation and maintenance costs in millions of dollars and in mills/KW-h; (5) fuel cost in millions of dollars and in mills/KW-h; and (6) total unit energy cost in millions of dollars and mills/KW-h? [Tabled October 22, 1982]

598. Mr. Kerrio: For the year 1981, would the Minister of Energy provide the following information on Ontario Hydro's Lennox generating station: (1) energy output (GW-h); (2) annual capacity factor; (3) interest and depreciation costs in millions of dollars and in mills/KW-h; (4) operation and maintenance costs in millions of dollars and in mills/KW-h; (5) fuel cost in millions of dollars and in mills/KW-h; and (6) total unit energy cost in millions of dollars and mills/KW-h? [Tabled October 22, 1982]

599. Mr. Kerrio: For the year 1981, would the Minister of Energy provide the following information on Ontario Hydro's Bruce A generating station: (1) energy output (GW-h); (2) annual capacity factor; (3) interest and depreciation costs in millions of dollars and in mills/KW-h; (4) operation and maintenance costs in millions of dollars and in mills/KW-h; (5) fuel cost in millions of dollars and in mills/KW-h; and (6)

total unit energy cost in millions of dollars and mills/KW-h? [Tabled October 22, 1982]

600. Mr. Kerrio: For the year 1981, would the Minister of Energy provide the following information on Ontario Hydro's Pickering A generating station: (1) energy output (GW-h); (2) annual capacity factor; (3) interest and depreciation costs in millions of dollars and in mills/KW-h; (4) operation and maintenance costs in millions of dollars and in mills/KW-h; (5) fuel cost in millions of dollars and in mills/KW-h; and (6) total unit energy cost in millions of dollars and mills/KW-h? [Tabled October 22, 1982]

See sessional paper 318.

601. Mr. Kerrio: For the year 1990, would the Minister of Energy provide the expected total unit energy costs in millions of dollars and in mills/KW-h for the Darlington nuclear generating station? [Tabled October 22, 1982]

602. Mr. Kerrio: For the year 1990, would the Minister of Energy provide the expected total unit energy costs in millions of dollars and in mills/KW-h for the Pickering B nuclear generating station? [Tabled October 22, 1982]

603. Mr. Kerrio: For the year 1990, would the Minister of Energy provide the expected total unit energy costs in millions of dollars and in mills/KW-h for the Pickering A nuclear generating station? [Tabled October 22, 1982]

604. Mr. Kerrio: For the year 1990, would the Minister of Energy provide the expected total unit energy costs in millions of dollars and in mills/KW-h for the Bruce B nuclear generating station? [Tabled October 22, 1982]

605. Mr. Kerrio: For the year 1990, would the Minister of Energy provide the expected total unit energy costs in millions of dollars and in mills/KW-h for the Bruce A nuclear generating station? [Tabled October 22, 1982]

606. Mr. Kerrio: For the year 1990, would the Minister of Energy provide the expected total unit energy costs in millions of dollars and in mills/KW-h for the Lakeview thermal generating station? [Tabled October 22, 1982]

607. Mr. Kerrio: For the year 1990, would the Minister of Energy provide the expected total unit energy costs in millions of dollars and in mills/KW-h for the Lambton thermal generating station? [Tabled October 22, 1982]

608. Mr. Kerrio: For the year 1990, would the Minister of Energy provide the expected total unit energy costs in millions of dollars and in

mills/KW-h for the Nanticoke thermal generating station? [Tabled October 22, 1982]

See sessional paper 319.

COSTS OF B.E.S.T. PROGRAM

292. Mr. Kerrio: With respect to the Ministry of Energy's BEST (Big Energy Saving Team) program, would the Minister of Energy specify: (1) the total production costs for the program's original four-page announcement; (2) the total production costs for the "Ontario's BEST" membership card; (3) the total production costs for the "Ontario's BEST" game card; (4) the total production costs for the "I'm One of Ontario's BEST" buttons; (5) the total production costs for the "Ontario's BEST" T-shirt transfers; and (6) the costs accrued by the ministry for hiring the Spitfire jazz band for the program's June 2, 1982, official launch ceremonies? [Tabled September 29, 1982]

Hon. Mr. Welch: 1. Total production costs for 72,000 copies of the program's original four-page announcement were \$7,095.

2. Total production costs for 40,000 copies of the "Ontario's BEST" membership card were \$1,618.

3. Total production costs for 40,000 copies of the "Ontario's BEST" energy game card were \$3,826.

4. Total production costs for the 100,000 "I'm One of Ontario's BEST" buttons were \$12,388.54.

5. Total production costs for the 4,000 "I'm One of Ontario's BEST" T-shirt transfers were \$4,001.27.

6. The cost of hiring the Spitfire jazz band and the sound system for the program's June 2, 1982, official launch ceremonies was \$3,000.

314. Mr. Kerrio: Would the Minister of Energy provide the total cost to the ministry of holding regional Energy Days as part of Ontario's BEST (Big Energy Saving Team) program? Would the minister also indicate the number of regional ceremonies held and a unit-by-unit breakdown of costs including courier costs for the invitations, food, entertainment, etc.? [Tabled September 29, 1982]

Hon. Mr. Welch: The ministry has held two regional Energy Days as part of Ontario's BEST (Big Energy Saving Team) program. The total costs were as follows:

Thunder Bay—September 8, 1982: photographer's services, \$203.30; food, \$224 (net); posters, \$492; band and sound system, \$854.40; exhibits, \$750; printing, \$45; megaphones and other equipment, \$38.36; Purolator charges for

pamphlets, invitations, banners, posters, \$200; total, \$2,807.06.

Sudbury—October 5, 1982: teleconferencing exhibit, \$40; photographer's services, \$200; food, \$92.70 (net); posters, \$823; band and master of ceremonies, \$300; printing, \$60; Purolator, \$64; total, \$1,579.70.

ONTARIO HYDRO ADVERTISEMENT

293. Mr. Kerrio: Would the Minister of Energy provide the cost of the quarter-page advertisement placed by Ontario Hydro in the *Globe and Mail's Report on Business*, September 6, 1982? [Tabled September 29, 1982]

Hon. Mr. Welch: The advertisement, placed in the *Globe and Mail's Report on Business*, international banking and finance edition, published September 6, 1982, cost \$4,512.

The advertisement was placed by Ontario Hydro to contribute to the function of capital financing by increasing worldwide awareness and knowledge of the province, and more particularly Ontario Hydro, in the financial community and thereby supporting investment in Ontario Hydro securities.

This special edition of the *Report on Business* was published to tie in with the International Monetary Fund and World Bank Conference. A high proportion of the delegates were international bankers, government officials and the financial press, from more than 144 countries; representatives highly influential in international financing programs and the investment markets. In addition to the *Report on Business* circulation of 353,859, practically all conference delegates received a copy of the special ROB report. Requests for additional copies totalled approximately 7,000.

In today's highly competitive borrowing environment, it is particularly important for Ontario Hydro to inspire investor confidence in the soundness of the corporation and the province which guarantees its bonds and notes issued to the public. Such confidence contributes to the facility and lower cost of borrowing.

ONTARIO OFFICE IN PARIS

298. Mr. Roy: Would the Minister of Intergovernmental Affairs specify: (1) the monthly rental costs for the new office of Ontario's agent general in France; (2) the renovation costs incurred to date for this office; (3) the anticipated renovation costs yet to be incurred, and (4) the total cost of china and crystal recently acquired for use at this office.

Hon. Mr. Wells: 1. The monthly rental costs for the Ontario agent general's office in Paris is 57,935 French francs (approximately \$10,000), shared by the Ministries of Intergovernmental Affairs and Industry and Trade.

2. The total renovation costs were 663,214 French francs (approximately \$115,000).

3. The renovation project is completed and no further costs are expected.

4. The total cost of china and glassware for the official use of the Agent-General was 6,070 French francs (approximately \$1,000).

FARM ADJUSTMENT ASSISTANCE PROGRAM

300. Mr. Riddell: With respect to the ministry's farm adjustment assistance program, would the Minister of Agriculture and Food indicate: (1) how many times the decision committee has met; (2) total payment to date to the chairman and estimated payment to the end of the program; (3) total payments to date to the members of the decision committee and estimated payments to the end of the program, and (4) total amount of interest rebate committed to date? [Tabled September 29, 1982]

Hon. Mr. Timbrell: The Ontario Farm Adjustment Assistance Program is achieving the goals of providing financial management counselling and direct financial assistance to those Ontario farmers in financial difficulty. As of September 29, 1982, financial assistance has been approved for over 2,750 farmers. Interest reduction grants have been approved on operating loans averaging \$192,000 and ranging from \$10,000 to over \$8 million. Guarantees on new lines of credit have been made for loans of up to \$1 million.

The financial restructuring and consolidation of a farm business of these magnitudes is a complex matter. It requires skills, experience and expertise of the highest order in financial land business management in order to ensure the successful turnaround of the farm business.

The provincial decision committee (PDC) has, as of September 29, 1982, considered 2,985 individual cases at an average cost of \$64 per case. In light of the benefits accruing to individual farm enterprises and Ontario agriculture, the costs associated with the operation of the PDC are reasonable and cost efficient.

The following are answers to the specific questions: (1) 93; (2a) payment to date to Price Waterhouse Limited for services rendered by chairman, \$111,971; (2b) estimated additional payments to Price Waterhouse Limited for services of chairman to end of the program,

\$24,500; (3a) payments to date of members of provincial decision committee, \$79,070; (3b) estimated additional payments to members, \$21,475; (4) \$25,896,072.

ONTARIO HYDRO EXPENDITURES

301. Mr. Kerrio: Would the Minister of Energy indicate whether Ontario Hydro has undertaken a review of all its capital expenditures to determine those which are not absolutely necessary and can be postponed, and would he provide a list of the measures identified and the potential cost savings? [Tabled September 29, 1982]

Hon. Mr. Welch: Ontario Hydro has been reviewing its planned capital expenditures and is continuing to do so in response to today's financial constraints.

Ontario Hydro had a total of some 630 plans for capital projects listed for potential commitment during 1982. Based on the likelihood of release assigned to each plan listed, the value of the work that would be released was forecast at about \$1.3 billion. Projects have been released only after review of need and, where appropriate, were modified to reduce the capital expenditures involved. The value of those actually released to the end of August is \$161 million or 12 per cent of the forecast.

Supplementary information:

Factors in the reduction in commitments include: lower forecasts of loads and less provision for the future; postponement of capital projects with longer payback periods; cancellation of the Lake Erie cable project.

RECEPTION FOR IMF DELEGATES

305. Mr. Bradley: Would the Premier indicate the criteria used in compiling the list of guests invited by the Premier's office to the September 7, 1982, reception, in addition to the delegates attending the IMF conference and elected members of the Ontario Legislature? [Tabled September 29, 1982]

Hon. Mr. Davis: The list of guests attending

the reception in honour of the meetings of the boards of governors of the International Monetary Fund and World Bank was compiled by the Premier's office in consultation with the Ministries of Industry and Trade, Intergovernmental Affairs and Treasury.

In addition to the delegates attending the meetings and members of the Ontario Legislature, the list consisted of members of the financial and industrial community, labour leaders, religious leaders, consular corps, senior government officials and the media.

306. Mr. Bradley: Would the Premier provide the total cost of the reception held on September 7, 1982, for the delegates of the IMF and invited guests of the Premier? Please provide a breakdown of this total cost in terms of food, liquid refreshments, tents, space heaters and any other items of expense. [Tabled September 29, 1982]

Hon. Mr. Davis: The total cost of the reception held in honour of the meetings of the boards of governors of the International Monetary Fund and the World Bank was \$219,836.

The breakdown of costs for the reception which employed 285 people in the private sector is as follows: photography, \$1,271; wine, \$16,948; piano, \$650; bus transportation and signage, \$12,290; rental, installation and removal of marquees, \$60,271; food/beverage service, \$111,273; plants, flowers, \$4,741; soap and paper towels, \$599; musicians, \$5,000; tour guides' overtime, \$354; food service in the Lieutenant Governor's suite, \$6,439; total, \$219,836.

ONTARIO HYDRO OFFICE SPACE

312. Mr. Kerrio: Would the Minister of Energy provide details of the yearly cost to Ontario Hydro for leased and owned office space in Toronto? Would the minister also indicate how much of this space relates to head office operations and identify specific locations? [Tabled September 29, 1982]

Hon. Mr. Welch:

Ontario Hydro Toronto Office Space

	Leased Space	
	700 University	Atrium
Space	1.125 million sq. ft. (excludes HEPCOE)	280,000 sq. ft. on floors 4 to 8 24,000 sq. ft. on floor 2
Rental costs	\$ 6,298,000	\$5,228,000
Taxes	\$ 7,317,000	\$1,429,000

Operating and maintenance costs (including electricity)	<u>\$ 1,600,000</u>	<u>\$1,170,000</u>
Total annual cost	\$15,215,000	\$7,827,000

Owned Space

	610 University	620 University	60 Murray St./ 11 Orde St.
Space	32,000 sq. ft.	Leased 17,745 Occupied by Hydro <u>134,336</u> 152,079	180,000 sq. ft.
Rental costs	\$189,000	\$ 863,000	\$ 743,000
Operating and maintenance costs (including electricity)	<u>\$100,000</u>	<u>\$ 400,000</u>	<u>\$1,000,000</u>
Total annual	\$289,000	\$1,263,000	\$1,743,000

*Hydro does not pay rent for this space as we own the buildings. The market value of the space \$15/sq. ft. and \$10/sq. ft. net in 610/620 University Avenue and 60 Murray/11 Orde Street respectively.

Prepared by: Properties and Planning; October 6, 1982]

ONTARIO HYDRO SALARIES

313. Mr. Kerrio: Would the Minister of Energy list: (a) the 1982 wage cost and the proposed 1983 wage cost of the Ontario Hydro chairman, and (b) the number of corporate management staff on the executive salary rate, their 1982 wage costs and the proposed 1983 wage costs? [Tabled September 29, 1982]

Hon. Mr. Welch: (a) The salary of the chairman of Ontario Hydro is set by the Lieutenant Governor in Council. The salary in 1982 is in the range of that of a deputy minister, \$61,100 to \$77,375. The 1983 increase will be as determined by the government.

(b) There are 380 persons on Ontario Hydro corporate management staff. The 1982 wage cost for this staff will be \$24,259,639. The 1983 wage cost for this staff will not be more than five per cent higher than in 1982]

SUNCOR LABRADOR HOLDINGS

502. Mr. Kerrio: Would the Minister of Energy table a copy of the report evaluating Suncor's Labrador properties conducted by Sproule Associates Ltd. of Calgary for the Trillium Exploration Corp.? [Tabled October 5, 1982]

Hon. Mr. Welch: The following is the Sproule Associates Ltd. opinion letter dated September 2, 1982, concerning the farm-in by Trillium Exploration Corp. on Suncor's holding in the

The detailed evaluation undertaken by the consulting firm contains information which, if made public, could be detrimental to the commercial interests of Trillium, Suncor and the other members of the Labrador Group.

Mr. Peter Lamb,
116240 Canada Ltd.,
c/o Ontario Energy Corp.,
5th Floor,
101 Bloor Street West,
Toronto, Ontario.
M5S 1P8

Dear Mr. Lamb:

Re: Proposed farm-in of certain Suncor holdings in the Labrador Group.

As requested, we have examined the terms of the proposal by Suncor Inc. ("Suncor") whereby 116240 Canada Ltd., hereinafter referred to as the "company," will farm-in certain Suncor holdings of the Labrador Group located on the Labrador Shelf, off the east coast of Canada. Suncor holds an interest of approximately 10 per cent in the Labrador Group lands. Petro-Canada is the operator.

The Labrador Group holdings are 22,355,837 gross acres, in 10 exploration agreement areas. Under the terms of the proposed farm-in, the Suncor interest in certain lands held by the Labrador Group are excluded. The lands excluded are the lands in the prospect areas earned by the drilling of the Snorri, North Bjarni, Bjarni and Gudrid wells and consist of 232,989 gross acres.

Prior to the farm-in, two other wells, Rut H-11 and Corte Real P-85, have been spudded. As requested, we have included the proportional interest in the prospect areas to be earned by these wells in our studies.

It is our understanding that, under the terms of the farm-in, during the commitment period of approximately five years, the company will pay 100 per cent of the Suncor share of the costs of exploration on the farm-in lands. This includes the costs of seismic, environmental studies and drilling and completing up to 10 wells. The company has the option to continue to participate by paying 100 per cent of the Suncor costs of exploration until 15 wells in total have been drilled. The company will earn 50 per cent of Suncor's interest in each prospect area (as defined by COGLA) on which an exploratory well is drilled. At the end of the initial term, the company will have also earned a 10 per cent interest in each exploration agreement outside the area in which the company already holds 50 per cent.

If, after the end of the initial term, the company drills any of the additional wells on any exploration agreement area which does not have an exploratory well drilled thereon, the company will earn 50 per cent in the prospect area and 10 per cent in the balance of the agreement area. Upon the completion of the entire 15-well program, the company will earn 50 per cent of Suncor's interest in the Labrador lands.

Based on the projected cost information made available to us, we estimate that the total of the work commitment to the company will be in the order of \$100 million in 1982 dollars. Since the company will be at least 75 per cent Canadian owned and Canadian controlled, it will qualify for PIP grants of 80 per cent of eligible costs.

Based on our assessment of the terms of the Suncor proposal and our appraisal of the prospects to be earned, we are of the opinion that the farm-in is justified, as the value of the assets to be earned matches the costs to be incurred even if there are reasonable cost overruns. In our opinion, the terms of the farm-in are fair and reasonable and would be acceptable to other companies with a similar Canadian content.

Yours very truly,
 Sproule Associates Ltd.,
 J. W. Terrill, P. Geol.,
 N. A. Cleland, P. Eng.

ONTARIO ENERGY INVESTMENT

503. Mr. Kerrio: Would the Minister of Energy provide the estimates of world oil prices between 1981 and the year up to which forecasts were made upon which the government based its valuation for the purchase of 25 per cent of Suncor Inc.? [Tabled October 5, 1982]

Hon. Mr. Welch: As is the case in most evaluations of this kind, a single estimate of world oil prices was not used in the evaluation of the Suncor assets undertaken by McLeod Young Weir; rather, various scenarios for world oil prices were reviewed.

Forecasts prepared by the government of Canada, major oil companies and various consulting firms were assessed. These forecasts provided long-term real oil price increases in a range from zero to five per cent annually.

It should be emphasized that these price forecasts were used to project long-term cash flows and were not intended to reflect short-term oil price fluctuations during the forecast period.

ADMINISTERED PRICE RESTRAINT PROGRAM

537. Mr. Foulds: Will the ministry table all letters sent by cabinet ministers and/or deputy ministers in each ministry to any agency, board or commission under the jurisdiction of each minister, outlining the criteria to be followed by these agencies, boards and commissions for the administered prices as defined in section 26 of Bill 179? [Tabled October 12, 1982]

Hon. Mr. McCague: An inordinate amount of time and effort would be needed to provide the information requested. For this reason, such correspondence cannot be made available at this time.

WASTE DISPOSAL

549. Mr. Elston: Would the Minister of the Environment supply the following information for the Courtice Auto Wreckers (Courtice) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

550. Mr. Elston: Would the Minister of the Environment supply the following information for the Courtice Gravel Pit (Newcastle) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

551. Mr. Elston: Would the Minister of the Environment supply the following information for the Robson Lang Tannery (Oshawa) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

552. Mr. Elston: Would the Minister of the Environment supply the following information for the Oshawa Harbour Commission site (Oshawa) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

553. Mr. Elston: Would the Minister of the Environment supply the following information for the Ajax sanitary landfill (Ajax) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been

taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

554. Mr. Elston: Would the Minister of the Environment supply the following information for the Johns-Manville Canada Inc. (Scarborough) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

555. Mr. Elston: Would the Minister of the Environment supply the following information for the Rohm & Haas Ltd. (Scarborough) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

556. Mr. Elston: Would the Minister of the Environment supply the following information for the DHI Ltd. (Streetsville) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted

upon, specify the reasons for lack of action? [Tabled October 22, 1982]

557. Mr. Elston: Would the Minister of the Environment supply the following information for the Dufferin Constructin Ltd. (Oakville) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

558. Mr. Elston: Would the Minister of the Environment supply the following information for the Union Carbide Canada Ltd. (Oakville) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

559. Mr. Elston: Would the Minister of the Environment supply the following information for the Canada Printing Ink (Burlington) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

560. Mr. Elston: Would the Minister of the Environment supply the following information for the Rockwell International (Milton) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and

surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

561. Mr. Elston: Would the Minister of the Environment supply the following information for the MECO Holdings Inc. (Halton Hills) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

562. Mr. Elston: Would the Minister of the Environment supply the following information for the Beardmore Tannery (Acton) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

563. Mr. Elston: Would the Minister of the Environment supply the following information for the Corning Glass Ltd. (Bracebridge) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the

industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

564. Mr. Elston: Would the Minister of the Environment supply the following information for the Pauze landfill (Tiny Township) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

565. Mr. Elston: Would the Minister of the Environment supply the following information for the R. Brown Farm (township of Ancaster) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

566. Mr. Elston: Would the Minister of the Environment supply the following information for the Cyanamid Canada (Lots 202-204 Niagara Falls, Lot 178 Thorold) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

567. Mr. Elston: Would the Minister of the Environment supply the following information

for the Norton Co. (Niagara Falls) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

568. Mr. Elston: Would the Minister of the Environment supply the following information for the Cyanamid Canada (Lot 4, Niagara Falls) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

569. Mr. Elston: Would the Minister of the Environment supply the following information for the Fleet Industries (Fort Erie) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

570. Mr. Elston: Would the Minister of the Environment supply the following information for the Conragas Reduction (Thorold) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on

the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

571. Mr. Elston: Would the Minister of the Environment supply the following information for the Domtar Fine Papers (St. Catharines) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

572. Mr. Elston: Would the Minister of the Environment supply the following information for the Stelco (Welland) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

573. Mr. Elston: Would the Minister of the Environment supply the following information for the Welland Iron and Brass (Welland) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

574. Mr. Elston: Would the Minister of the Environment supply the following information for the Butler Metal (Cambridge) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

575. Mr. Elston: Would the Minister of the Environment supply the following information for the Telephone City Gravel (Township of Puslinch) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

576. Mr. Elston: Would the Minister of the Environment supply the following information for the D. McDonald farm (township of Puslinch) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

577. Mr. Elston: Would the Minister of the Environment supply the following information for the province of Ontario (Lot 10, Con. 1, Cambridge) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions

have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

578. Mr. Elston: Would the Minister of the Environment supply the following information for the Road 32 Holdings (township of Guelph) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

579. Mr. Elston: Would the Minister of the Environment supply the following information for the Peplow Transport (Guelph) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

580. Mr. Elston: Would the Minister of the Environment supply the following information for the Bakelite Thermosets Ltd. (Belleville) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981)

have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

581. Mr. Elston: Would the Minister of the Environment supply the following information for the Courtaulds Canada Ltd. (Cornwall) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

582. Mr. Elston: Would the Minister of the Environment supply the following information for the Gloucester Sand and Gravel Co. Ltd. (township of Gloucester) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

583. Mr. Elston: Would the Minister of the Environment supply the following information for the H. M. Grant Ltd. (township of Gloucester) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

584. Mr. Elston: Would the Minister of the Environment supply the following information for the E. MacDougall Ltd. (township of

Elizabethtown) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

585. Mr. Elston: Would the Minister of the Environment supply the following information for the Metada Ltd. (township of Gloucester) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

586. Mr. Elston: Would the Minister of the Environment supply the following information for the River Road site (London) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

587. Mr. Elston: Would the Minister of the Environment supply the following information for the Welland Chemicals Ltd. (Sarnia) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on

the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

588. Mr. Elston: Would the Minister of the Environment supply the following information for the Sarnia landfill (Sarnia) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

589. Mr. Elston: Would the Minister of the Environment supply the following information for the Barney's pit (Plympton township) private industrial waste site: (1) copies of all hydrogeological, geological, groundwater and surface water studies conducted at the site; (2) an outline of what remedial actions have been taken to date; (3) an outline of what future remedial steps will be taken; (4) information on the types and quantities of liquid industrial wastes which were deposited at the site; and (5) outline whether all recommendations from the industrial waste site identification study (1981) have been acted upon; for those recommendations not acted upon, specify the reasons for lack of action? [Tabled October 22, 1982]

See sessional paper 332.

COSTS OF ANNUAL REPORTS

617. Mr. McGuigan: Would the Provincial Secretary for Social Development provide the costs associated with the production of the annual report of her secretariat for each year from 1970-71 to the most recent year for which an annual report has been published? Would the provincial secretary also provide the costs of producing the annual reports of all of her secretariat's agencies, boards and commissions for the same time period? [Tabled October 25, 1982]

Hon. Mrs. Birch: The secretariat has no

annual report. Following are the costs for the councils' annual reports.

	Date Published	Cost
Physically Handicapped Council		
1st annual report	September 1976	\$ 3,300
2nd annual report	March 1978	3,640
3rd annual report	March 1979	2,710
4th annual report		
bilingual	September 1979	4,740
5th annual report-		
bilingual	March 1980	5,437
6th annual report-		
bilingual	October 1981	8,446
Senior Citizens Council		
1st annual report	August 1975	3,479
2nd annual report	June 1976	2,034
3rd annual report	August 1977	2,393
4th annual report	September 1978	2,634
5th annual report	September 1979	1,646
6th annual report-		
bilingual	November 1980	4,878
7th annual report-		
bilingual	November 1981	6,766
Status of Women Council		
1st annual report	February 1975	4,635
2nd annual report	October 1976	2,450
3rd annual report	March 1978	1,739
4th annual report	December 1978	4,720
5th annual report	July 1979	2,538
6th annual report-		
bilingual	November 1980	2,505
7th annual report-		
bilingual	September 1981	3,824

618. Mr. McEwen: Would the Provincial Secretary for Resources Development provide the costs associated with the production of the annual report of his secretariat for each year from 1970-71 to the most recent year for which an annual report has been published? Would the provincial secretary also provide the costs of producing the annual reports of all of his secretariat's agencies, boards and commissions for the same time period? [Tabled October 25, 1982]

Hon. Mr. Henderson: The Provincial Secretariat for Resources Development and its agency, the Niagara Escarpment Commission, do not produce annual reports.

619. Mr. Epp: Would the Minister of Municipal Affairs and Housing provide the costs associated with the production of the annual report of his ministry for each year since the inception of this ministry in 1981 to the most recent year for which an annual report has been published?

Would the minister also provide the costs of producing the annual reports of all of the predecessor ministry's agencies, boards and commissions for the same time period? [Tabled October 25, 1982]

620. Mr. Epp: Would the Minister of Municipal Affairs and Housing provide the cost associated with the production of the annual report of the predecessor ministry (Housing) for each year from 1970-71 to the most recent year for which an annual report has been published? Would the minister also provide the costs of producing the annual reports of all of the ministry's agencies, boards and commissions for the same time period? [Tabled October 25, 1982]

Hon. Mr. Bennett: Ministry of Housing: 1981-82, nil; 1980-81, \$3,265.64; 1979-80, \$3,994.57; 1978-79, \$3,673.85; 1977-78, \$3,394.04 (\$512.51—Ontario Land Corp.)*; 1976-77, \$2,139.56; 1975-76, \$1,886.78; 1974-75, records unavailable**; 1970-71 to 1973-74, unavailable, Ontario Housing Corp.

*Ontario Land Corp. annual report incorporated with ministry's overall report in subsequent years;

**First annual report of Ministry of Housing.

Ministry of Municipal Affairs and Housing: 1981-82, records unavailable.*

*Ministry of Municipal Affairs and Housing's first annual report is at the printers.

621. Mr. Sweeney: Would the Minister of Industry and Trade provide the costs associated with the production of the annual report of the predecessor ministry (Industry and Tourism) for each year from 1970-71 to the most recent year for which an annual report has been published? Would the minister also provide the costs of producing the annual reports of all of the predecessor ministry's agencies, boards and commissions for the same time period? [Tabled October 25, 1982]

See sessional paper 323.

622. Mr. Eakins: Would the Minister of Tourism and Recreation provide the cost associated with the production of the annual report of the predecessor ministry (Culture and Recreation) for each year from 1970-71 to the most recent year for which an annual report has been published? Would the minister also provide the costs of producing the annual reports of all of the ministry's agencies, boards and commissions for the same time period? [Tabled October 25, 1982]

See sessional paper 324.

623. Mr. Breithaupt: Would the Provincial Secretary for Justice provide the costs associated with the production of the annual report of his secretariat for each year from 1970-71 to the most recent year for which an annual report has been published? Would the provincial secretary also provide the costs of producing the annual reports of all of his secretariat's agencies, boards and commissions for the same period?

Hon. Mr. Sterling: The Provincial Secretary for Justice does not produce an annual report.

624. Mr. Elston: Would the Minister of the Environment provide the costs associated with the production of the annual report of his ministry for each year from 1970-71 to the most recent year for which an annual report has been published? Would the minister also provide the costs of producing the annual reports of all of his ministry's agencies, boards and commissions for the same time period? [Tabled October 25, 1982]

See sessional paper 325.

625. Mr. Sargent: Would the Chairman of the Management Board of Cabinet provide the costs associated with the production of the annual report of his ministry for each year from 1970-71 to the most recent year for which an annual report has been published? Would the chairman also provide the costs of producing the annual reports of all of his ministry's agencies, boards and commissions for the same time period? [Tabled October 25, 1982]

Hon. Mr. McCague: Management Board's 1980-81 report cost \$4,268. This report was not tabled in the Legislature since the Management Board of Cabinet Act does not require that the minister table an annual report. Management Board did not issue annual reports in any of the other years for which information has been requested and is not anticipating releasing a year-end report for 1981-82.

The following costs respecting the Civil Service Commission are submitted as follows: 1981-82, \$1,856.61; 1980-81, \$1,038.75; 1979-80, \$689.47; 1978-79, \$650.53; 1970-71 to 1977-78, records unavailable—approximate cost \$500.

626. Mr. Van Horne: Would the Minister of Northern Affairs provide the costs associated with the production of the annual report since the inception of this ministry in 1977 to the most recent year for which an annual report has been published? Would the minister also provide the costs of producing the annual reports of all of his ministry's agencies, boards and commissions

for the same time period? [Tabled October 25, 1982]

Hon. Mr. Bernier: Ministry of Northern Affairs, Ontario Northland Transportation Commission: 1981-82, \$3,814; 1980-81, \$2,407; 1979-80, \$1,429; 1978-79, \$9,036; 1977-78, \$6,186; 1976-77, \$7,089.

627. Mr. Roy: Would the Minister of Intergovernmental Affairs provide the costs associated with the production of the annual report of his ministry for each year since the inception of this ministry in 1978 to the most recent year for which an annual report has been published? Would the minister also provide the costs of producing the annual reports of all of his ministry's agencies, boards and commissions for the same time period? [Tabled October 25, 1982]

Hon. Mr. Wells: 1. The Ministry of Intergovernmental Affairs does not publish an annual report. However, the office of the co-ordinator of French-language services does publish an annual report and the costs for the reports produced while in this ministry are as follows: 1979, \$8,214; 1980, \$13,038; 1981, \$17,334.

2. The responsibility for the Council for Franco-Ontarian Affairs was transferred from the Ministry of Citizenship and Culture to this ministry in April 1982. Since that time, no annual report has been produced.

628. Mr. Boudria: Would the Minister of Community and Social Services provide the costs associated with the production of the annual report of his ministry for each year from 1970-71 to the most recent year for which an annual report has been published? Would the minister also provide the costs of producing the annual reports of all of his ministry's agencies, boards and commissions for the same time period? [Tabled October 25, 1982]

Hon. Mr. Drea: Community and Social Services, ministry annual report: 1981-82, not finalized; 1980-81, \$5,329.50; 1979-80, \$3,337.49; 1978-79, \$3,310; 1977-78, information not available; 1976-77, \$2,677.77; 1975-76, \$3,918; 1970-71 to 1974-75, information not available.

Community and Social Services, social assistance review board: 1981-82, \$1,458; 1980-81, \$609; 1970-71 to 1978-79, information not available.

629. Mr. Haggerty: Would the Minister of Government Services provide the costs associated with the production of the annual report of his ministry for each year from 1970-71 to the most recent year for which an annual report has been published? Would the minister also pro-

vide the costs of producing the annual reports of all of his ministry's agencies, boards and commissions for the same time period? [Tabled October 25, 1982]

Hon. Mr. Wiseman: Government Services: 1981-82, \$5,394.14; 1980-81, \$7,025.64; 1979-80, \$6,810.02; 1978-79, \$494 (cover only) other associates costs are unavailable; 1970-71 to 1977-78, records unavailable.

630. Mr. T. P. Reid: Would the Treasurer and Minister of Economics provide the costs associated with the production of the annual report of his ministry for each year from 1970-71 to the most recent year for which an annual report has been published? Would the minister also provide the costs of producing the annual reports of all of his ministry's agencies, boards and commissions for the same time period? [Tabled October 25, 1982]

Hon. F. S. Miller: Treasury and Economics, Ontario Economic Council: 1981-82, not determined—report is in preparation stage; 1980-81, \$7,000; 1979-80, not available; 1978-79, \$6,000*; 1977-78, \$5,500*; 1976-77, \$5,000*; 1975-76, \$4,500*; 1974-75, \$4,000*; 1970-71 to 1973-74, not available.

*Estimated.

631. Mr. T. P. Reid: Would the Minister of Revenue provide the costs associated with the production of the annual report of his ministry for each year from 1970-71 to the most recent year for which an annual report has been published? Would the minister also provide the costs of producing the annual reports of all of his ministry's agencies, boards and commissions for the same time period? [Tabled October 25, 1982]

Hon. Mr. Ashe: The Ministry of Revenue published an annual report for 1970-71 at an estimated cost of \$3,500. Publication of annual reports was discontinued after 1970-71.

The ministry had no agencies, boards or commissions in this period.

632. Mr. Breithaupt: Would the Attorney General provide the costs associated with the production of the annual report of his ministry for each year from 1970-71 to the most recent year for which an annual report has been published? Would the minister also provide the costs of producing the annual reports of all of his ministry's agencies, boards and commissions for the same time period? [Tabled October 25, 1982]

Hon. Mr. McMurtry: Ministry of the Attorney General: 1981-82, \$10,600*; 1980-81, \$9,487;

1979-80, \$8,195; 1978-79, \$12,377; 1977-78, \$8,147; 1976-77, \$6,049, records unavailable.

Agency, board or commission: 1981-82, \$6,522*; 1980-81, \$7,513; 1979-80, \$6,100*; 1978-79, \$4,455*; 1977-78, \$4,695*; 1976-77, \$4,444*; 1970-71 to 1975-76, records unavailable.

Total: 1981-82, \$17,122; 1980-81, \$17,000; 1979-80, \$14,295; 1978-79, \$16,832; 1977-78, \$12,842; 1976-77, \$10,493.

*Estimate.

633. Mr. Spensieri: Would the Solicitor General provide the costs associated with the production of the annual report of his ministry for each year from 1970-71 to the most recent year for which an annual report has been published? Would the Solicitor General also provide the costs of producing the annual reports of all of his ministry's agencies, boards and commissions for the same time period?

Hon. G. W. Taylor: The costs associated with the production of the Solicitor General's annual report for the years 1973-74 to 1981-82 are outlined in the following list. There were no costs for previous years as the ministry was not formed until April 1, 1972.

Ministry of the Solicitor General: 1981-82, \$8,788; 1980-81, \$9,925; 1979-80, \$8,755; 1978-79, \$5,647; 1977-78, \$4,452; 1976-77, \$4,452; 1975-76, \$5,154; 1974-75, \$4,347; 1973-74, \$3,427.

634. Mr. Mancini: Would the Minister of Consumer and Commercial Relations provide the costs associated with the production of the annual report of his ministry for each year from 1970-71 to the most recent year for which an annual report has been published? Would the minister also provide the costs of producing the annual reports of all of his ministry's agencies, boards and commissions for the same time period? [Tabled October 25, 1982]

See sessional paper 326.

635. Mr. Spensieri: Would the Minister of Correctional Services provide the costs associated with the production of the annual report of his Ministry for each year from 1970-71 to the most recent year for which an annual report has been published? Would the Minister also provide the costs of producing the annual reports of all of his Ministry's agencies, boards and commissions for the same time period? [Tabled October 25, 1982]

Hon. Mr. Leluk: Ministry of Correctional Services: 1981-82, \$5,233.99; 1980-81, \$4,254.00; 1979-80, \$4,999.52; 1978-79, \$2,298.79; 1977-78, \$2,492.67; 1976-77, \$731.50 (statistics only); 1970-76, not available.

Approximately 85 per cent camera-ready copy prepared within the ministry.

637. Mr. Kerrio: Would the Minister of Energy provide the costs associated with the production of the annual report of his ministry for each year from 1970-71 to the most recent year for which an annual report has been published? Would the minister also provide the costs of producing the annual reports of all of his ministry's agencies, boards and commission for the same time period. [Tabled October 25, 1982]

See sessional paper 328.

638. Mr. Wrye: Would the Minister of Labour provide the costs associated with the production of the annual report of his ministry for each year from 1970-71 to the most recent year for which an annual report has been published? Would the minister also provide the costs of producing the annual reports of all his ministry's agencies, boards and commissions for the same time period? [Tabled October 25, 1982]

See sessional paper 328.

640. Mr. Cunningham: Would the Minister of Transportation and Communications provide the costs associated with the production of the annual report of his ministry for each year from 1970-71 to the most recent year for which an annual report has been published? Would the minister also provide the costs of producing the annual reports of all of his ministry's agencies, boards and commissions for the same time period? [Tabled October 25, 1982]

See sessional paper 329.

641. Mr. Conway: Would the Minister of Colleges and Universities provide the costs associated with the production of the annual report of her ministry for each year from 1970-71 to the most recent year for which an annual report has been published? Would the minister also provide the costs of producing the annual reports of all of her ministry's agencies, boards and commissions for the same time period? [Tabled October 25, 1982]

Hon. Miss Stephenson: The Ministry of Colleges and Universities has not produced an annual report for the past 10 years. The following are costs of producing the annual reports of the College Relations Commission, the Ontario Council of Regents and the Ontario Council of University Affairs:

Annual report of the Ontario Council on University Affairs:

The council published its first annual report

in 1974-75. The cost of publishing the council's report for the first two years, 1974-75 and 1975-76, is not available. In all years, 4,000 copies were printed: 1976-77, \$5,346; 1977-78, \$5,500 approximately; 1978-79, \$8,042.80; 1979-80, not available; 1980-81, \$6,659.76; 1981-82, \$9,639.29.

Annual report of the Ontario Council of Regents:

First annual report published 1975-76: 1975-76, \$2,400; 1976-77, \$2,589; 1977-78, \$2,784; 1978-79, \$2,994; 1979-80, \$3,219; 1980-81, \$3,461; 1981-82 (estimate), \$3,700. There are 2,500 copies printed each year.

The College Relations Commission was established in 1975. Between 1975 and 1980, the commission's annual report was photocopied in quantities to meet the requirements of tabling the report.

In 1980-81, the commission's annual report was printed. There were 600 English copies produced at a total cost of \$1,391.68 and 100 French copies at a total cost of \$1,377.61.

642. Mr. Bradley: Would the Minister of Education provide the costs associated with the production of the annual report of her ministry for each year from 1970-71 to the most recent year for which an annual report has been published? Would the minister also provide the costs of producing the annual reports of all of her ministry's agencies, boards and commissions for the same time period? [Tabled October 25, 1982]

See sessional paper 330.

643. Ms. Copps: Would the Minister of Health provide the costs associated with the production of the annual report of his ministry for each year from 1970-71 to the most recent year for which an annual report has been published? Would the minister also provide the costs of producing the annual reports of all of his ministry's agencies, boards and commissions for the same time period? [Tabled October 25, 1982]

See sessional paper 331.

TRADE MISSIONS

647. Mr. Riddell: Would the Minister of Agriculture and Food provide the following information concerning export trade missions: (1) a list of all export missions conducted by the ministry for the years 1980, 1981, 1982 and any upcoming export missions; (2) a list of all individuals participating in the trade missions including the government representatives; (3)

places visited by the export missions; (4) total cost for each export mission, and (5) a list of all new business contracts obtained as a result of the export missions? [Tabled October 26, 1982]

See sessional paper 320.

CROWN CORPORATIONS

681. Mr. Cassidy: (1) How many provincial crown corporations are there in Ontario? (2) Who is responsible for ensuring that these crown corporations conclude memorandums of understanding governing their relationships with the government? (3) When did the government begin to negotiate these memorandums? (4) What is their purpose? (5) For each crown corporation, would the government indicate whether there is a memorandum of understanding and, if not, what stage any negotiations for a memorandum have been reached, with which official or which minister the negotiations are being carried on, and why the negotiations for the memorandum have not yet been concluded? [Tabled November 30, 1982]

Hon. Mr. McCague: 1. Fourteen government agencies are, or are intended to be, completely funded out of the revenues generated by their programs. They are oriented towards the activities of commerce and industry and, therefore, considered "crown corporations." They are allocated to schedule II under the agency policy in the Ontario Manual of Administration.

2. It is up to the responsible minister to ensure the required memorandum is prepared.

3. September 1978, the agency policy in the Ontario Manual of Administration introduced a mandatory requirement for a memorandum of understanding to be prepared for each schedule II agency.

4. A memorandum of understanding clarifies the objectives, priorities and performance expectations of an agency and defines the relationship between an agency and its parent ministry. A memorandum indicates the extent to which administrative policies established by Management Board should, or should not, apply. Each memorandum is formally reviewed and approved by the agency's governing body and the minister.

A memorandum addresses the following areas: purpose and legislative authority of the agency; roles of the minister and agency; financial arrangements; audit arrangements; operating relationships; administrative relationships; staffing requirements; sunset review; reporting.

5. The status of the memorandum of under-

standing for each of the 14 agencies identified as a crown corporation is as follows:

Agency	Memorandum
MAF: Ontario Food Terminal Board	Yes
Ontario Stock Yards Board	Yes
MCCR: Liquor Control Board of Ontario	Yes
Energy: Ontario Energy Corp.	Yes
Ontario Hydro	Yes
Environment:	
Ontario Waste Management Corp.	Draft
MIT: IDEA Corp.	No
Metro Toronto Convention Centre Corp.	Draft
Ontario Centre for Micro-electronics	No
MNR: Algonquin Forestry Authority	Yes
MNA: Ontario Northland Transportation Commission	Yes
MT&R: Niagara Parks Commission	Yes
Ontario Lottery Corp.	Draft
MTC Urban Transportation Development Corp.	Yes

Preparation of a memorandum of understanding is under way for both of the recently established agencies—IDEA Corp. and Ontario Centre for Microelectronics. Final memoranda for the Ontario Waste Management Corp. and the Ontario Lottery Corp. are expected to be completed before the end of the 1982-83 fiscal year.

INTERIM ANSWER

548. Mr. J. A. Reed: Hon. Mr. Pope—(1), (2), (3), (4), (5), (6)—The responses will be filed with the Clerk of the House when ready.

RESPONSE TO PETITION

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT BILL

Petition presented to the House, sessional paper 283.

Presented by the following members: Mr. R. Nixon, MPP, Brant-Oxford Norfolk; Mr. H. O'Neil, MPP, Quinte; Mr. J. Reed, MPP, Halton-Burlington; Mr. J. Bradley, MPP, St. Catharines; Mr. J. Eakins, MPP, Victoria-Haliburton; Mr. P. Reid, MPP, Rainy River; Mr. J. Sweeney, MPP, Kitchener-Wilmot; Mr. B. Newman, MPP, Windsor-Walkerville; Mr. H. Edighoffer, MPP, Perth; Mr. T. Ruprecht, MPP, Parkdale; Mr. J. McGuigan, MPP, Kent-Elgin; Mr. M. Spensieri, MPP, Yorkview; Mr. R. Van Horne, MPP,

London North; Mr. M. Hennessy, MPP, Fort William.

Hon. Miss Stephenson: Bill 127 does not affect education jurisdictions outside of Metropolitan Toronto. The two-tier form of educational governance which exists in Metro Toronto is unique to that jurisdiction and is not replicated elsewhere in the province.

The purpose of the bill is to reinforce the co-operative endeavours of the boards of education within Metro Toronto in their pursuit of equitable educational opportunities for all young people within Metro. The vehicle for achieving this, for effecting an appropriate sharing of fiscal resources within Metro, is the Metropolitan Toronto School Board, which consists of representatives from each of the area boards of education. Bill 127 strengthens this co-operative mechanism which has served education well for over 25 years in this one discrete area of the province.

Bill 127 does not impinge on the ability of local trustees within Metropolitan Toronto to

deal with concerns and decision-making at the local level. Several provisions of the bill enhance local autonomy. For example, the surplus/deficit provisions within Bill 127 serve to increase the accountability of local trustees to their own ratepayers. In addition, the discretionary levy provision enables an area board to hire additional teachers over and above those allocated through the Metro formulae.

The bill requires joint bargaining on only two items: salaries/financial benefits, and a mechanism for allocating a total number of teachers to each area board. All other matters are subject to local negotiations between each board and its own teachers.

The government of Ontario is sensitive to educational needs of children as well as to the concerns of parents, taxpayers and teachers. Any changes with respect to the acts and regulations governing education are intended to enhance the quality of educational opportunity for all children.

APPENDIX

ALPHABETICAL LIST OF MEMBERS*

(125 members)

Second Session of the 32nd Parliament

Lieutenant Governor: Hon. J. B. Aird, OC, QC**Speaker: Hon. John M. Turner****Clerk of the House: Roderick Lewis, QC**

Allen, R. (Hamilton West NDP)
 Andrewes, P. W. (Lincoln PC)
Ashe, Hon. G. L., Minister of Revenue (Durham West PC)
Baetz, Hon. R. C., Minister of Tourism and Recreation (Ottawa West PC)
 Barlow, W. W. (Cambridge PC)
Bennett, Hon. C. F., Minister of Municipal Affairs and Housing (Ottawa South PC)
Bernier, Hon. L., Minister of Northern Affairs (Kenora PC)
Birch, Hon. M., Provincial Secretary for Social Development (Scarborough East PC)
 Boudria, D. (Prescott-Russell L)
 Bradley, J. J. (St. Catharines L)
 Brandt, A. S. (Sarnia PC)
 Breaugh, M. J. (Oshawa NDP)
 Breithaupt, J. R. (Kitchener L)
 Bryden, M. H. (Beaches-Woodbine NDP)
 Cassidy, M. (Ottawa Centre NDP)
 Charlton, B. A. (Hamilton Mountain NDP)
 Conway, S. G. (Renfrew North L)
 Cooke, D. S. (Windsor-Riverside NDP)
 Copps, S. M. (Hamilton Centre L)
 Cousens, D., Deputy Chairman of Committees of the Whole House (York Centre PC)
 Cunningham, E. G. (Wentworth North L)
 Cureatz, S. L., Deputy Speaker and Chairman of Committees of the Whole House (Durham East PC)
Davis, Hon. W. G., Premier (Brampton PC)
 Dean, G. H. (Wentworth PC)
 Di Santo, O. (Downsview NDP)
Drea, Hon. F., Minister of Community and Social Services (Scarborough Centre PC)
 Eakins, J. F. (Victoria-Haliburton L)
Eaton, Hon. R. G., Minister without Portfolio (Middlesex PC)
 Edighoffer, H. A. (Perth L)
Elgie, Hon. R. G., Minister of Consumer and Commercial Relations (York East PC)
 Elston, M. J. (Huron-Bruce L)
 Epp, H. A. (Waterloo North L)
 Eves, E. L. (Parry Sound PC)
 Fish, S. A. (St. George PC)

Foulds, J. F. (Port Arthur NDP)
 Gillies, P. A. (Brantford PC)
 Gordon, J. K. (Sudbury PC)
 Grande, T. (Oakwood NDP)
Gregory, Hon. M. E. C., Minister without Portfolio (Mississauga East PC)
Grossman, Hon. L. S., Minister of Health (St. Andrew-St. Patrick PC)
 Haggerty, R. (Erie L)
 Harris, M. D. (Nipissing PC)
 Havrot, E. M. (Timiskaming PC)
Henderson, Hon. L. C., Provincial Secretary for Resources Development (Lambton PC)
 Hennessy, M. (Fort William PC)
 Hodgson, W. (York North PC)
 Johnson, J. M. (Wellington-Dufferin-Peel PC)
 Johnston, R. F. (Scarborough West NDP)
 Jones, T. (Mississauga North PC)
 Kells, M. C. (Humber PC)
 Kennedy, R. D. (Mississauga South PC)
 Kerr, G. A. (Burlington South PC)
 Kerrio, V. G. (Niagara Falls L)
 Kolyn, A. (Lakeshore PC)
 Lane, J. G. (Algoma-Manitoulin PC)
 Laughren, F. (Nickel Belt NDP)
Leluk, Hon. N. G., Minister of Correctional Services (York West PC)
 Lupusella, A. (Dovercourt NDP)
 Mackenzie, R. W. (Hamilton East NDP)
 MacQuarrie, R. W. (Carleton East PC)
 Mancini, R. (Essex South L)
 Martel, E. W. (Sudbury East NDP)
McCaffrey, Hon. R. B., Minister of Citizenship and Culture (Armourdale PC)
McCague, Hon. G. R., Chairman, Management Board of Cabinet (Dufferin-Simcoe PC)
 McClellan, R. A. (Bellwoods NDP)
 McEwen, J. E. (Frontenac-Addington L)
 McGuigan, J. F. (Kent-Elgin L)
 McKessock, R. (Grey L)
 McLean, A. K. (Simcoe East PC)
McMurtry, Hon. R. R., Attorney General (Eglinton PC)
 McNeil, R. K. (Elgin PC)

Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics (Muskoka PC)
Miller, G. I. (Haldimand-Norfolk L)
Mitchell, R. C. (Carleton PC)
Newman, B. (Windsor-Walkerville L)
Nixon, R. F. (Brant-Oxford-Norfolk L)
Norton, Hon. K. C., Minister of the Environment (Kingston and the Islands PC)
O'Neil, H. P. (Quinte L)
Peterson, D. R. (London Centre L)
Philip, E. T. (Etobicoke NDP)
Piché, R. L. (Cochrane North PC)
Pollock, J. (Hastings-Peterborough PC)
Pope, Hon. A. W., Minister of Natural Resources (Cochrane South PC)
Rae, R. K. (York South)
Ramsay, Hon. R. H., Minister of Labour (Sault Ste. Marie PC)
Reed, J. A. (Halton-Burlington L)
Reid, T. P. (Rainy River L-Lab.)
Renwick, J. A. (Riverdale NDP)
Riddell, J. K. (Huron-Middlesex L)
Robinson, A. M. (Scarborough-Ellesmere PC)
Rotenberg, D. (Wilson Heights PC)
Roy, A. J. (Ottawa East L)
Runciman, R. W. (Leeds PC)
Ruprecht, T. (Parkdale L)
Ruston, R. F. (Essex North L)
Samis, G. R. (Cornwall NDP)
Sargent, E. C. (Grey-Bruce L)
Scrivener, M. (St. David PC)
Sheppard, H. N. (Northumberland PC)
Shymko, Y. R. (High Park-Swansea PC)
Snow, Hon. J. W., Minister of Transportation and Communications (Oakville PC)
Spensieri, M. A. (Yorkview L)
Stephenson, Hon. B. M., Minister of Education and Minister of Colleges and Universities (York Mills PC)
Sterling, Hon. N. W., Provincial Secretary for Justice (Carleton-Grenville PC)
Stevenson, K. R. (Durham-York PC)
Stokes, J. E. (Lake Nipigon NDP)
Swart, M. L. (Welland-Thorold NDP)
Sweeney, J. (Kitchener-Wilmot L)
Taylor, Hon. G. W., Solicitor General (Simcoe Centre PC)
Taylor, J. A. (Prince Edward-Lennox PC)
Timbrell, Hon. D. R., Minister of Agriculture and Food (Don Mills PC)
Treleaven, R. L. (Oxford PC)
Turner, Hon. J. M., Speaker (Peterborough PC)
Van Horne, R. G. (London North L)

Villeneuve, O. F. (Stormont, Dundas and Glengarry PC)
Walker, Hon. G. W., Minister of Industry and Trade (London South PC)
Watson, A. N. (Chatham-Kent PC)
Welch, Hon. R. S., Minister of Energy (Brock PC)
Wells, Hon. T. L., Minister of Intergovernmental Affairs (Scarborough North PC)
Wildman, B. (Algoma NDP)
Williams, J. R. (Oriole PC)
Wiseman, Hon. D. J., Minister of Government Services (Lanark PC)
Worton, H. (Wellington South L)
Wrye, W. M. (Windsor-Sandwich L)
Yakabuski, P. J. (Renfrew South PC)

MEMBERS OF THE EXECUTIVE COUNCIL

Davis, Hon. W. G., Premier and President of the Council
Welch, Hon. R. S., Minister of Energy and Deputy Premier
Wells, Hon. T. L., Minister of Intergovernmental Affairs
Bernier, Hon. L., Minister of Northern Affairs
Snow, Hon. J. W., Minister of Transportation and Communications
Birch, Hon. M., Provincial Secretary for Social Development
Bennett, Hon. C. F., Minister of Municipal Affairs and Housing
Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics
Timbrell, Hon. D. R., Minister of Agriculture and Food
Stephenson, Hon. B. M., Minister of Education and Minister of Colleges and Universities
McMurtry, Hon. R. R., Attorney General
Henderson, Hon. L. C., Provincial Secretary for Resources Development
Norton, Hon. K. C., Minister of the Environment
Drea, Hon. F., Minister of Community and Social Services
Grossman, Hon. L., Minister of Health
McCague, Hon. G., Chairman of Management Board of Cabinet and Chairman of Cabinet
Baetz, Hon. R. C., Minister of Tourism and Recreation
Wiseman, Hon. D. J., Minister of Government Services
Elgie, Hon. R. G., Minister of Consumer and Commercial Relations
Walker, Hon. G. W., Minister of Industry and Trade

Gregory, Hon. M. E. C., Minister without Portfolio
 Pope, Hon. A. W., Minister of Natural Resources
 Leluk, Hon. N. G., Minister of Correctional Services
 Ashe, Hon. G. L., Minister of Revenue
 Ramsay, Hon. R. H., Minister of Labour
 McCaffrey, Hon. R. B., Minister of Citizenship and Culture
 Sterling, Hon. N. W., Provincial Secretary for Justice
 Taylor, Hon. G. W., Solicitor General
 Eaton, Hon. R. G., Minister without Portfolio

PARLIAMENTARY ASSISTANTS

Andrewes, P. W. (Lincoln), assistant to the Minister of Energy
 Brandt, A. S. (Sarnia), assistant to the Minister of Labour
 Dean, G. H. (Wentworth), assistant to the Minister of Education and the Minister of Colleges and Universities
 Fish, S. A. (St. George), assistant to the Minister of Citizenship and Culture
 Gillies, P. A. (Brantford), assistant to the Provincial Secretary for Social Development
 Gordon, J. K. (Sudbury), assistant to the Minister of Health
 Hennessy, M. (Fort William), assistant to the Minister of Northern Affairs
 Hodgson, W. (York North), assistant to the Minister of Government Services
 Jones, T. (Mississauga North), assistant to the Treasurer of Ontario and Minister of Economics
 Kennedy, R. D. (Mississauga South), assistant to the Minister of Intergovernmental Affairs
 Lane, J. G. (Algoma-Manitoulin), assistant to the Minister of Industry and Trade
 MacQuarrie, R. W. (Carleton East), assistant to the Solicitor General
 McNeil, R. K. (Elgin), assistant to the Minister of Agriculture and Food
 Mitchell, R. C. (Carleton), assistant to the Minister of Consumer and Commercial Relations
 Rotenberg, D. (Wilson Heights), assistant to the Minister of Municipal Affairs and Housing
 Stevenson, K. R. (Durham-York), assistant to the Minister of the Environment
 Watson, A. N. (Chatham-Kent), assistant to the Minister of Community and Social Services
 Williams, J. R. (Oriole), assistant to the Minister of Revenue
 Yakabuski, P. J. (Renfrew South), assistant to the Minister of Natural Resources

STANDING COMMITTEES

Administration of justice: chairman, Mr. Treleaven; members, Messrs. Brandt, Breithaupt, Elston, Eves, Mitchell, Piché, Renwick, Spensieri, Stevenson, Swart and Watson; clerk, D. Arnott.

General government: chairman, Mr. Barlow; vice-chairman, Mr. J. A. Taylor; members, Messrs. Charlton, Dean, Eakins, Gordon, Haggerty, Hennessy, J. M. Johnson, Lane, McKessock and Samis; clerk, F. Carrozza.

Resources development: chairman, Mr. Harris; vice-chairman, Mr. Andrewes; members, Ms. Fish, Messrs. Kolyn, Laughren, McNeil, J. A. Reed, Riddell, Stokes, Sweeney, Villeneuve and Williams; clerk, A. Richardson.

Social development: chairman, Mr. Shymko; vice-chairman, Mr. Gillies; members, Messrs. Allen, Boudria, Ms. Copps, Messrs. R. F. Johnston, Kells, McGuigan, Pollock, Robinson, Runciman and Sheppard; clerk, G. White.

Members' services: chairman, Mr. Robinson; vice-chairman, Mr. Hodgson; members, Messrs. Grande, Havrot, Jones, Mackenzie, MacQuarrie, McLean, G. I. Miller, Rotenberg, Ruprecht and Wrye; clerk, L. Mellor.

Procedural affairs: chairman, Mr. Kerr; vice-chairman, Mr. Rotenberg; members, Messrs. Breaugh, Charlton, Edighoffer, Epp, J. M. Johnson, Lane, MacQuarrie, Mancini, Treleaven and Watson; clerk, S. Forsyth.

Public accounts: chairman, Mr. T. P. Reid; vice-chairman, Mr. Kolyn; members, Messrs. Bradley, Cunningham, Havrot, Kennedy, Philip, Sargent, Mrs. Scrivener, Messrs. J. A. Taylor, Wildman and Yakabuski; clerk, G. White.

Regulations and other statutory instruments: chairman, Mr. Eves; vice-chairman, Mr. Barlow; members, Ms. Bryden, Messrs. Di Santo, Gordon, Hennessy, Hodgson, Jones, Kerrio, McEwen, McLean and Van Horne; clerk, D. Arnott.

SELECT COMMITTEE

Ombudsman: chairman, Mr. Runciman; members, Messrs. Boudria, Cooke, Eakins, Gordon, Hodgson, MacQuarrie, Mitchell, Philip, Piché, Shymko and Van Horne; clerk, G. White.

*The lists in this appendix, brought up to date as necessary, are published in Hansard on the first Friday of each month and in the first and last issues of each session.

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 Ashe, Hon. G. L., Minister of Revenue (Durham West PC)
 Bradley, J. J. (St. Catharines L)
 Brandt, A. S. (Sarnia PC)
 Breaugh, M. J. (Oshawa NDP)
 Breithaupt, J. R. (Kitchener L)
 Cassidy, M. (Ottawa Centre NDP)
 Conway, S. G. (Renfrew North L)
 Cooke, D. S. (Windsor-Riverside NDP)
 Cousens, D., Deputy Chairman and Acting Speaker (York Centre PC)
 Cunningham, E. G. (Wentworth North L)
 Cureatz, S. L., Deputy Speaker and Chairman (Durham East PC)
 Davis, Hon. W. G., Premier (Brampton PC)
 Di Santo, O. (Downsview NDP)
 Elgie, Hon. R. G., Minister of Consumer and Commercial Relations (York East PC)
 Epp, H. A. (Waterloo North L)
 Kerrio, V. G. (Niagara Falls L)
 Laughren, F. (Nickel Belt NDP)
 Leluk, Hon. N. G., Minister of Correctional Services (York West PC)
 Mackenzie, R. W. (Hamilton East NDP)
 Martel, E. W. (Sudbury East NDP)
 McCaffrey, Hon. R. B., Minister of Citizenship and Culture (Armourdale PC)
 McClellan, R. A. (Bellwoods NDP)
 McGuigan, J. F. (Kent-Elgin L)
 McMurtry, Hon. R. R., Attorney General (Eglinton PC)
 Miller, G. I. (Haldimand-Norfolk L)
 Nixon, R. F. (Brant-Oxford-Norfolk L)
 Norton, Hon. K. C., Minister of the Environment (Kingston and the Islands PC)
 O'Neil, H. P. (Quinte L)
 Peterson, D. R. (London Centre L)
 Philip, E. T. (Etobicoke NDP)
 Piché, R. L. (Cochrane North PC)
 Pope, Hon. A. W., Minister of Natural Resources (Cochrane South PC)
 Rae, R. K. (York South NDP)
 Ramsay, Hon. R. H., Minister of Labour (Sault Ste. Marie PC)
 Reid, T. P. (Rainy River L-Lab.)
 Renwick, J. A. (Riverdale NDP)
 Roy, A. J. (Ottawa East L)
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 Mills PC)
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 Taylor, Hon. G. W., Solicitor General (Simcoe Centre PC)
 Taylor, J. A. (Prince Edward-Lennox PC)
 Turner, Hon. J. M., Speaker (Peterborough PC)
 Van Horne, R. G. (London North L)
 Wells, Hon. T. L., Minister of Intergovernmental Affairs (Scarborough North PC)



Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Monday, January 17, 1983

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Information Services Branch, Ministry of Government Services, 5th Floor, 880 Bay Street, Toronto, M7A 1N8. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Monday, January 17, 1983

The House met at 2 p.m.

Prayers.

TAKEOVER OF TRUST COMPANIES

Mr. Peterson: Mr. Speaker, I rise on a point of privilege. I believe my privileges and rights as a member of this assembly have been abused. I believe also that there has been a significant breach of the rights and privileges of thousands of Ontario citizens by this government.

It has been revealed that the Minister of Consumer and Commercial Relations (Mr. Elgie) gave information of the proposed takeover of Greymac Trust, Seaway Trust and Crown Trust to several individuals in the trust company industry days before that takeover, and that at least one institution, according to press reports, on the basis of that insider information removed money from Crown Trust just hours before the government takeover. This option was denied thousands of families, pensioners, widows and widowers who have substantial savings frozen in these trust companies.

I would like the minister to account to this House and to those thousands of anxious depositors for the reason he perpetrated such a shameful—

Mr. Speaker: I must point out to the Leader of the Opposition that this is not a point of privilege, and I suggest that the question be put to the minister at a more appropriate time.

SUPPLEMENTARY ESTIMATES

Hon. Mr. McCague: Mr. Speaker, I have a message from the Honourable the Administrator signed by his own hand.

Mr. Speaker: W. G. C. Howland, the Administrator, transmits supplementary estimates of certain additional sums which are required for the services of the province for the year ending March 31, 1983, and recommends them to the Legislative Assembly, Toronto, January 17, 1983.

DEATH OF ALLAN REUTER

Mr. Barlow: On a point of privilege, Mr. Speaker: I would like bring to your attention and to the attention of the members of the House the passing of a former occupant of your

chair, a former Speaker of this House, the Honourable Allan Reuter.

Mr. Reuter passed away on December 31. He was held in high esteem, I believe, by all sides of the House. He was a personal friend of mine and one I always looked up to while he served as the member for Waterloo South and then, as it came to be known, Cambridge.

BARGNESI MINES LIMITED ACT

Mr. Speaker: I beg to inform the House that the Clerk has received from the commissioners of estate bills their favourable report on Bill Pr34, An Act to revive Bargnesi Mines Limited.

STATEMENT BY THE MINISTRY

TAKEOVER OF TRUST COMPANIES

Hon. Mr. Elgie: Mr. Speaker, I would like to report to the House on the action taken by the government on January 7, 1983, when, pursuant to an order in council, the registrar of loan and trust corporations took possession and control of the assets of Seaway Trust Co., Greymac Trust Co. and Crown Trust Co.

Let me say at the outset that this is an interim or preliminary report on events to date. As I will relate in more detail shortly, the work of the registrar is continuing and I am not yet in a position to provide a complete report to the House, and it may be some time before I can do so. In the meantime, I undertake to keep the House informed of developments as they occur.

As I stated on January 7, 1983, the decision to proceed under the new powers contained in the amendments to the Loan and Trust Corporations Act made on December 21, 1982, was taken by the province in the belief that, in the case of each of the three trust companies, among other things, "There exists a practice of or state of affairs within the corporation that is or may be prejudicial to the public interest or to the interests of the corporation's depositors, creditors or shareholders."

Without going into any depth of detail, I would mention the following circumstances that were significant influences on our decision to proceed with what undoubtedly was and remains a very difficult and complex operation.

The general scheme of the Loan and Trust Corporations Act is that there are a number of different provisions aimed at protecting the public in respect of their deposits in corporations subject to the act. One of the most basic provisions is that the amount of public deposit liabilities cannot exceed a prescribed multiple of the corporation's borrowing base. This base is computed by determining the excess of the corporation's qualified investments and other assets over its relevant liabilities.

From our review of the transactions involving the Cadillac Fairview properties, we concluded that there was insufficient evidence to warrant an increase in the value of these properties from the \$270 million at the time of their sale by Cadillac Fairview to the \$500 million claimed to have been placed on them in the course of the sale to the numbered companies.

It would appear that a great deal of the justification for the higher lending value for these properties was based on various assumptions about the ability of Kilderkin Investments Ltd. to ensure that the payments were made on the \$375 million in mortgages secured on these properties. We were not satisfied that this ability could be guaranteed or that such a guarantee should be treated as part of the value of the properties being mortgaged.

It was concluded that there were not sufficient grounds to justify a value of the Cadillac Fairview properties in excess of \$300 million. As there were already first and second mortgages on the properties aggregating about \$223 million, none of the third mortgages could then fall within the 75 per cent of real estate value statutory requirement for the mortgages made by trust companies, and they are, therefore, not qualified investments. As a result, a substantial portion, if not all, of the mortgages placed on these properties could not be taken into account in computing their borrowing bases.

In addition to the Cadillac Fairview transaction, it was apparent that there was a risk of other transactions treated in a similar fashion with a corresponding further adverse effect on the financial condition of each of the companies.

The registrar, therefore, took control of the companies to determine the extent to which these mortgage practices may have prejudicially affected the financial condition of the companies and the depositors, shareholders and other creditors doing business with these companies and, if our opinion about the financial state of the companies was verified, to determine the courses of action that in such circum-

stances would best serve the depositors, shareholders and other creditors.

2:10 p.m.

I would like to take a few moments to comment upon the process by which the registrar has taken possession and control of the assets of these companies and the steps that have been and are being taken by him to determine the state of affairs in each trust company. The process was a major and unprecedented logistical exercise which was organized and put into place over a very short period of time once the course of action was decided upon.

Cabinet approval to act was given on Friday afternoon, January 7. Beginning around 5 p.m. on that day, teams of the registrar's staff and other persons appointed by the registrar commenced taking possession of the Crown Trust head office in Toronto as well as that company's offices in Brantford, London and Windsor; its three offices in Montreal, Quebec; the offices in Winnipeg, Manitoba, Edmonton and Calgary in Alberta, and Vancouver and Victoria in British Columbia. At approximately the same time, other teams took possession of the three Seaway Trust offices located in Port Colborne, Welland and Willowdale, and another team took possession of the four main Greymac Trust offices in Toronto and Mississauga.

The initial administrative objectives in taking over the companies were to effect a smooth changeover in the control of the company offices, to identify and secure the various records and to commence the process of reviewing the asset portfolios, particularly the mortgage investment portfolios, without delay and without unduly interfering with the normal operations of the offices.

To carry out the various functions involved in this process, the registrar has used resources from a number of sources. To the greatest extent possible, the existing staff of the companies have been left in place to carry on their usual duties and to assist the registrar where necessary.

However, some company officials who might not be sympathetic to the registrar's actions have been excluded from the premises. In this regard, I wish to commend the staff of these companies for their co-operation in what must be a difficult situation for them. I was advised that many of them worked through to 11 o'clock on that Friday night, without complaint, to assist in the orderly changeover.

Approximately 21 members of the registrar's staff, mainly examiners and investigators of

financial institutions, have been assigned to work on the review.

In addition, to effect the taking of control of the Crown Trust offices located in five different provinces, the registrar used the services of Woods Gordon. Not only was this company able to supply staff for each of the Crown Trust offices, but also it was able to dispatch immediately to each office in the country a computer terminal that enabled all the Crown Trust branch offices to be directly linked with the head office in a way that would permit an almost instant verification of amounts being withdrawn by various persons who may have deposits in more than one office. In total, approximately 70 staff of this company are involved.

The basic resources for the control of Seaway Trust and Greymac Trust came from Touche Ross. That firm supplied approximately 50 professional staff to secure the records at the head offices and branch locations in addition to using data processing experts to handle the logistics of securing outside data centres used by these companies and setting up and co-ordinating controls to monitor withdrawals made throughout the province.

I would like to draw attention to a group of persons whose services are being supplied without cost to the government. At our request, various trust companies have volunteered the services of a number of their senior mortgage officers. In total, we have had approximately 20 such personnel from eight different trust companies who have been assigned to reviewing the mortgage portfolios of these three trust companies. I think it is fair to say that without this voluntary assistance from the trust industry, it would not have been possible to carry out the review of the three trust companies involved in a timely and effective manner.

There is one other group of people who have been recruited to assist the registrar in carrying out his responsibilities and who deserve special attention. I am sure that their association with the work of the registrar has done much to maintain the public confidence in trust companies. I refer to Allen T. Lambert, a former chairman and chief executive officer of the Toronto-Dominion Bank; Thomas J. Bell, chairman and former chief executive officer of Abitibi-Price Inc., who is in the gallery today; A. Roy Voelker, CA, a former chief financial officer with Great Northern Capital, a land development company; J. David Taylor, QC, a director of Hudson Bay Mining and Smelting Co. Ltd. and a former senior officer with

companies in the Anglo-American group; and Ainslie St. Clair Shuve, who at the time of his retirement in January 1980 was president and chief executive officer of Crown Trust Co.

Mr. Shuve has agreed to reassume his former position of chief executive officer of Crown Trust Co., and Mr. Taylor and Mr. Voelker have agreed to assume the same positions in Greymac Trust and Seaway Trust, respectively. This group has been meeting daily to discuss and resolve problems that arise in the day-to-day administration of the trust companies.

In addition to the above, and since December 4, 1982, the government has been advised by a group of lawyers who are specialists in corporation law from the firm of McMillan Binch, headed by W. A. Macdonald, QC, a senior partner of that firm.

We have also had the advice and assistance of J. L. Biddell, the former chairman of the Clarkson Co. Ltd. and one of the most knowledgeable persons in Canada in respect of the type of financial situation we are dealing with in the three trust companies. Mr. Biddell, in addition to providing ongoing advice, has co-ordinated our dealings with the Canada Deposit Insurance Corp. and with the various companies that have expressed interest in any of the trust companies.

One aspect of our operations gave us considerable concern in the planning stage. I refer to the possible reaction of the depositors to the registrar's action. Not having a precedent for what we are doing made it difficult to judge what was likely to happen. We thought we had to be prepared for such possibilities as an extensive run on deposits, altercations at company offices and a substantial demand for information from depositors.

To deal with these possibilities, a number of precautions or actions were taken. Bell Canada responded to our request for additional phone lines and, even though we were not able to provide Bell with all the information needed until Sunday afternoon, they still were able to install 10 trunk lines and 20 phones at the Crown Trust head office and 15 additional phone lines at Greymac Trust.

It was not technically possible to add more public lines at Seaway Trust; so we were limited to installing additional private lines for use by the registrar's staff, thus freeing up the regular phones for inquiries. In addition, three phone lines in the ministry serving the Toronto calling area were allocated to respond to inquiries, and a Zenith line was installed to provide province-wide, toll-free service.

Most of this work was completed by Bell Canada in the early hours of Monday morning before the trust company offices were open for business. We are very appreciative of the effort put forward by Bell Canada staff in responding so promptly to our requests.

I have already said that the registrar's actions were without a precedent, and this aspect of uniqueness carried over into our dealings with the deposit insurance aspects of the matter.

As I am sure members are generally aware, deposits in trust companies are insured to a limit of \$20,000. In all provinces but Quebec, this insurance is provided by the Canada Deposit Insurance Corp. In Quebec, it is provided by the Quebec deposit insurance organization, Régie de l'assurance-dépôts du Québec.

The legislation governing the deposit insurance is basically designed to deal with a situation where the insured deposits are among the liabilities of a financial institution that is being wound up or is in receivership. In those circumstances, it is possible to determine rather precisely the liability of the deposit insurer and the rights of the depositor. In the cases we were dealing with, one of our main objectives was to take action that would prevent some or all of the companies from requiring liquidation or winding up.

In these circumstances, the Canada Deposit Insurance Corp. found that its legislative powers were limited in ways that made it difficult for the corporation to respond as effectively as both we and they wished to. It was these difficulties particularly that caused us considerable concern over our inability to free up estate trust and agency accounts and to allow them to be used in a business-as-usual manner.

2:20 p.m.

In commenting on this deposit insurance issue, I would like to put on the record that the Honourable Jacques Parizeau, Minister of Finance for Quebec, has been most co-operative and helpful. He personally assisted in those early days in working out problems that were encountered in this area.

Under the arrangements made with Quebec and the Canada Deposit Insurance Corp., funds were to be made available to the three trust companies should the withdrawal of deposits exhaust the cash resources of the companies. As a condition of making these backup funds available, the Canada Deposit Insurance Corp. required that we limit withdrawals to a maximum of \$20,000, the insurance limits.

To date it has not been necessary to call on

this backup funding, and I might add that there have been no problems with depositors wishing to withdraw their funds that required any intervention by the police. I am advised that requests for withdrawals subject to the \$20,000 limit are being handled without difficulty and that the daily volume of requests diminished as the week passed. It is clear that the message contained in my announcement got through to depositors that they were fully protected up to \$20,000.

As I have indicated, taking control of the trust companies involved three objectives: (1) to carry on the businesses as usual to the extent possible in the circumstances; (2) to review the practices of and state of affairs within the three companies, and (3) to determine the appropriate courses of action to be taken once we have sufficient information from the review to permit us to make this determination.

I believe we are successfully meeting our first objective and that we are well on the way to completing the review. I would point out that Mr. James Morrison has continued to pursue his special examination and has made important contributions to our state of knowledge. He is also benefiting from the large amount of information available in the hands of the registrar as a result of his efforts over the past 10 days. As Mr. Morrison is still in the process of interviewing persons under oath, I am not yet in a position to report further to the Legislature on the progress of his inquiry.

I would like to make it clear that we have not seen it as our responsibility either to initiate or to negotiate any offers that may be made for the shares of Crown Trust Co., Greymac Trust Co. or Seaway Trust Co., and we have not done so. For the advice and assistance of any parties who may be interested in acquiring the shares of any of those companies and so that the public know the position of the Ontario government, we have established the following basic conditions that must be satisfied by any agreement that may be reached with respect to the acquisition of shares:

1. The Canada Deposit Insurance Corp. must approve of the transaction.

2. Any arrangement must result in the trust company being left in an assured financial condition that fully protects depositors.

3. The acquiror must be acceptable to the registrar and to the Canada Deposit Insurance Corp. as one likely to maintain the trust company in an acceptable condition and to operate it in a manner that recognizes the fiduciary responsibility for public funds.

4. The present owners of the trust company cannot receive any direct or indirect payment for their interests unless no public moneys are used or placed at risk to support the financial position of a trust company and all depositors and other creditors have been provided for.

5. No waiver will be given by the province in respect of any existing or future legal responsibilities of any party that have arisen or may arise relative to these companies.

I would now like to give the highlights of the draft interim reports received last Saturday from Woods Gordon with respect to Crown Trust Co. and Touche Ross and Co. with respect to Seaway Trust Co. and Greymac Trust Co.

To deal first with Crown Trust Co., the following summarizes the major comments of Woods Gordon:

1. The company's lending practices since September 1982 have departed from the conservatism practised prior to that date and have resulted in serious deficiencies now apparent in the security underlying approximately \$130 million of its investments.

2. At January 7, 1983, the company did not appear to be in compliance with certain liquidity, investment and borrowing requirements of the act under which it is regulated.

3. There was a serious deterioration in the confidence of the financial community and investing public towards the company in the period leading up to and including January 7, 1983.

4. As a result, the company could not be considered a viable going concern at January 7, 1983, in the absence of (a) a substantial injection of additional capital, (b) interim support to assist in meeting liquidity demands and (c) restoration of confidence by the public and the financial community.

Turning now to Seaway Trust Co. and Greymac Trust Co., the following summarizes the major comments of Touche Ross Ltd.:

1. Neither Seaway nor Greymac has any "borrowing base," for the purposes of section 118 of the act, to support its deposits and other borrowings.

2. The basic cause of this situation in each company has been its mortgage lending and investment practices.

3. In the case of Seaway, the total mortgage portfolio as at December 31, 1982, has a book value of \$273 million, of which approximately \$151 million appears to be related in some way to Kilderkin Investments Ltd.

4. In the case of Greymac, the total mortgage

portfolio has a book value at December 31, 1982, of \$192 million, of which \$78 million appears to be related to Kilderkin.

5. In most, if not all, instances of Kilderkin-related mortgages, the Seaway or Greymac mortgage is subsequent to a first and sometimes to a second mortgage and represents a loan in excess of 75 per cent of the value of the property as permitted by the act.

6. The books and records of both Seaway and Greymac were found to be seriously lacking in accuracy and completeness and are not up to date.

I now turn to an important and positive announcement which provides encouraging confirmation of the wisdom of the steps taken by the Ontario government on January 7, 1983.

I and my special advisers, J. L. Biddell and W. A. Macdonald, concluded early last Saturday morning, on the basis of the results of the Woods Gordon investigation of Crown Trust Co., that in the interests of protecting depositors against any possible losses and of seeking to support the operations of Crown Trust Co., a new arrangement should be made between the registrar and the Canada Deposit Insurance Corp. and Régie de l'assurance-dépôts du Québec, the Quebec deposit insurance board.

It would be the intent of those discussions that such an arrangement would enable Crown Trust to make payments to its depositors without restriction in amount as such deposits become due. The arrangement under discussion also would contemplate an early transfer of the company, or its business and assets, to new acceptable ownership. Without the backing of the deposit insurance institutions, this would not be possible because of the absence of a borrowing base in Crown Trust Co. on which to justify continuing any loan or trust operations.

Messrs. Biddell and Macdonald explained these conclusions late on Saturday morning to representatives of the Canada Deposit Insurance Corp., as a result of which active discussions have been carried on with that corporation during the weekend. I am confident that these discussions will be brought to a successful conclusion within the next few days so that there will be no restrictions on the ability of Crown Trust Co. to meet all its obligations to depositors as they fall due.

In the course of these discussions, some of which are still under way, I have undertaken to the Canada Deposit Insurance Corp. and the Quebec Deposit Insurance Board that at an early date I will introduce legislation related to

Crown Trust Co. to confirm that the registrar, in pursuit of the objectives of protecting all depositors and creditors, has the full power to sell all or part of its assets and undertaking or make other appropriate arrangements.

2:30 p.m.

It is our objective that, notwithstanding what has happened to the company during the past few weeks which made government action to protect depositors necessary, the new arrangements respecting Crown Trust would mean that all depositors, estates and trusts with Crown Trust would be safe and secure and that business could thus carry on in a normal way. The preliminary assessment of Seaway Trust and Greymac Trust indicates that they are in a more difficult financial position than Crown Trust, but it is too soon to say with certainty what might happen to them.

In my statement to the House on December 21 past, I said we should be addressing a broader range of issues than was covered by the unnumbered bill proposing amendments to the Loan and Trust Corporations Act that was put out for discussion by my predecessor. I also stated I believed that the most appropriate method of proceeding would be by issuing a white paper on these issues. This view has been strongly reinforced by our experiences of recent weeks. The registrar has obtained a great deal of information respecting the operations of each of Seaway Trust, Greymac Trust and Crown Trust that will be very useful in developing proposals for that white paper.

Without wishing to prejudge any issues or to limit the scope of the white paper as it is subsequently developed, I think it is clear we must address the question of ownership of trust companies, the definition of inappropriate non-arm's-length transactions, the impact of rapid changes in interest rates and real estate values on the operations of trust companies, and other related issues. I do not believe it overstates the situation to say we should rethink the basic scheme of the act and ensure that the requirements placed on the owners and operators of trust companies are consistent with the needs of the current business environment and with the fact that there is no inherent right to operate a trust company independent of a corresponding obligation to protect the public moneys entrusted to it.

It is a privilege to be permitted to seek deposits from the public and only those who fully accept the fiduciary nature of the business should be able to operate a trust company in

Ontario. The goal of trust company legislation must be to ensure that only such persons are allowed to operate a trust company and that they meet this fundamental requirement in their business conduct. A first and necessary step was taken on December 21 with the enactment of the requirement for registrar approval of trust company share transfers where more than 10 per cent of its voting shares are involved.

It is also apparent that the \$20,000 limit on insured deposits should be changed immediately. In this regard I am encouraged by the recent statements of the Honourable Paul Cosgrove, Minister of State for Finance, that Ottawa is considering this issue. I would strongly encourage him to urge his colleagues to move now to announce a substantial increase in the insured limits that will be made effective immediately. I have just received a note indicating that the Honourable Paul Cosgrove is at present announcing to the House of Commons that there will be a new \$60,000 limit that will be effective as of today.

It has also become apparent to me and my staff that there is an urgent need to review in depth the administrative procedures and the resources allocated to the supervision of financial institutions. I believe our current legislation and administrative procedures are designed in large part to deal with honest and responsible business administrators conscious of their financial responsibilities, which has been the overwhelming majority of those operating trust companies in Ontario.

They have not hitherto been designed to deal with those who can so structure their affairs that it is exceedingly difficult to detect irregular or illegal activities. It would appear to me that in the past we have relied on the records of companies being what they appear to be. We may, in the future, have to commit greater resources to the review of financial institutions to enable us to make more detailed and extensive examinations of some operations on a more regular and routine basis.

In consultation with my deputy minister and the executive director of financial institutions, it has been decided that a complete review of our administration and procedures in the area of financial institutions will be carried out. As a preliminary step, an internal but independent review has been initiated.

In addition to the general objectives I have just indicated, this review will also be designed to raise issues related to administrative procedures that should be addressed in the white

paper and, further, to determine whether the review should be supplemented by a review carried out by an outside organization that is very familiar with the operations of financial institutions and the problems that arise in the course of administering regulatory legislation.

I attach a high degree of urgency to the preparation of the white paper and I have asked my staff to give it all possible priority. In saying this, I trust the members will realize that the current review of the three trust companies has monopolized just about all the time of the senior staff working in this area. However, as I have indicated above, this experience will provide them with insights into many of the problems that should be raised in the white paper and should therefore assist them in this task.

CONSIDERATION OF REPORT

Mr. Peterson: Mr. Speaker, I have a point of order which I would bring to your attention.

It is our belief that this entire trust company matter should be examined by a complete royal commission and also, at the very least, by a committee of this Legislature.

The annual report of the Ministry of Consumer and Commercial Relations is not a statutory annual report and cannot, therefore, in the normal course of events be referred to a committee by a petition of 20 members. Nevertheless, that report has been referred to a committee by this House in the past, a reference which formed the basis of the examination by the standing committee on administration of justice of the Astra/Re-Mor affair, which I am sure you and government members will recall.

My point is that a reference to a committee of the annual report of the Ministry of Consumer and Commercial Relations has a very significant precedent. A reference of this affair to a legislative committee would require the unanimous consent of the House. As a consequence, I would like to seek the position of the government House leader on this issue as to whether the government will consent to this matter going before a legislative committee.

Under standing order 33(b), I have a petition which reads, "We, the undersigned, petition that the annual report of the Ministry of Consumer and Commercial Relations for the year ending March 31, 1982, be referred to the standing committee on administration of justice." I ask the government House leader to give this unanimous consent.

Mr. Speaker: I must point out to the Leader of

the Opposition that this is not a point of order and I must rule that it is out of order.

Mr. Nixon: Mr. Speaker, on the point of order, if you will permit me, I think my leader has pointed out to you that there is a precedent for the report of the ministry to be sent to committee. Surely it is sufficient for the Leader of the Opposition to ask you to put to the other members of the House that a similar reference could take place at this time so that the justice committee could proceed, without delay, to review the matter.

Mr. Speaker: I must point out to the House leader of the opposition that nothing is out of order. It is not a point of order, as I said before, and therefore I rule the motion out of order.

ORAL QUESTIONS

TAKEOVER OF TRUST COMPANIES

Mr. Peterson: Mr. Speaker, obviously this statement raises a great number of questions. From what I can determine, about half of it is describing a military operation in taking over these companies and the rest of it is self-justification.

It is already out of date, as I am sure the minister is well aware. On page 4, he states that the objectives are to continue the business in an ongoing state even though the circumstances are unusual.

The minister is aware that Mr. Rosenberg has issued a statement today saying that he has instructed the lawyers for Greymac Credit to proceed with the voluntary winding-up of Greymac Trust Co. So the minister's information is already out of date.

The critical question is at page 17 of his statement where the minister says the practice has "resulted in serious deficiencies now apparent in the security underlying approximately \$130 million of its investments." Is the minister saying there is \$130 million missing from Crown Trust Co., and if he is saying that, where is it?

2:40 p.m.

Hon. Mr. Elgie: Mr. Speaker, first of all, on this side of the House we are getting a little tired of the member's dribs and drabs techniques. This daily habit the member has been indulging in of dropping a little information to try to leave the false impression that this minister, this ministry and this government have not been in control of things, depicts the kind of thing that is questionable about their whole performance this week.

Mr. Epp: Tell us about Re-Mor.

Mr. Breithaupt: How about Argosy? What about British Mortgage? You said it would never happen again and it is happening.

Mr. Speaker: Order. The Leader of the Opposition has asked a question. The minister will reply, please.

Hon. Mr. Elgie: Mr. Speaker, I have received the statement made by Mr. Rosenberg at 11 o'clock today and I am aware of his intentions. Those will be legal matters the parties will have to look at, but as of this moment the registrar is running those companies and is in control of the assets.

With respect to the member's other statement regarding the assets of Crown Trust, I want to make it very clear that because of the principle that I outlined clearly in the statement with respect to valuation and the value of mortgages, in our view those mortgages are overvalued and have seriously impaired the borrowing base of that company.

Mr. Peterson: Is the only irregularity here then the questionable mortgaging practices, which I am sure the minister knows have been going on for several years in some of these companies? Is that all the minister is saying today, or is he saying there are some assets which cannot be accounted for? The minister is aware of press reports indicating that a substantial amount of money is missing from the assets of these companies. Indeed, is that or is it not the case?

Hon. Mr. Elgie: I think I have made it very clear to this House and to the public that as further information becomes available to me, I will relay it to this Legislature. When that information is available to me, I will provide it to this Legislature.

Mr. Rae: Mr. Speaker, there seems to be an ambiguity in aspects of the minister's statement. On page 24, he refers to the fact that the laws "have not hitherto been designed to deal with those who can so structure their affairs that it is exceedingly difficult to detect irregular or illegal activities. It would appear to me that in the past we have relied on the records of companies being what they appear to be."

I would like to ask the minister if he is saying there has been a process of deliberate concealment or fraud with respect to any one of these three companies.

Hon. Mr. Elgie: I think the statement is quite clear. What I have said is that the legislation has "not hitherto been designed to deal with those who can so structure their affairs that it is

exceedingly difficult to detect irregular or illegal activities." That is what I said. When I have more to report to this House with respect to these three companies, I will do so.

Mr. Peterson: Is the minister saying he does not know if there is any money missing? The police have been investigating this for some time. Mr. Morrison has been in there for close to nine weeks now. Surely he owes us more of an explanation than he has given us today. What is the state of those deposits and the assets? He has a responsibility to this House to tell us. This is the first time he has had an opportunity to become public. This is a very inadequate response to the information people in this province are demanding.

Hon. Mr. Elgie: I am well aware of my responsibilities, as I am well aware of the obligations of a minister of the crown, because "minister" means "servant of the public."

I am reporting to this House and therefore to the public on the information that is currently available. The Liberal Party can play the games it has been playing for several days—political opportunism, self-serving, self-righteousness, whatever it wants—but the facts, as I can relay them to this Legislature within the limits imposed on me by legal obligations or other matters, will be reported to this House.

Mr. Peterson: The minister has learned nothing in his ministry.

Let me refer him to page 18, where he is discussing Seaway Trust Co. and Greymac Trust Co. In point two, he says, "The basic cause of this situation in each company has been its mortgage lending and investment practices." Is he aware now that this has been going on for two years right underneath his nose? Why were his regulators not there to find out this series of transactions before we had to come to this calamitous action he had to take in the past few weeks?

Hon. Mr. Elgie: Mr. Speaker, the calamitous action the member refers to results from legislation that the Legislature passed in this House on December 21. To talk about the results of that legislation producing calamitous activities I think is so inappropriate that that young man should go out and talk to his advisers, because if he knows who he is talking to he should look over his shoulder.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Elgie: Got you going, eh? The Leader of the Opposition should be grateful to

the member from St. David; that adviser of his is over his shoulder all the time, baby.

Mr. Speaker: Order.

Hon. Mr. Elgie: The statement I made is reported and taken out of the Touche Ross report. When there are more results of those investigations and those examinations to report to this House, I will report them.

Mr. Peterson: Let me ask the minister a simple question. When did he first find out that these strange financial practices were going on in the subject companies, that is Seaway and Greymac? Did he just find out after Touche Ross went in or did he and his ministry know before? In particular, I would remind him that Seaway came before cabinet for two or three orders in council to increase its authorized share capital. I would also remind him that the registrar's responsibility is to issue an annual report looking into these companies. Did he know before or did he just find out?

Hon. Mr. Elgie: I am satisfied that the registrar has been conducting his activities very effectively.

Mr. Rae: Surely the minister will agree there is a basic problem here. On page 18 he states, "The basic cause of this situation in each company has been its mortgage lending and investment practices." The minister will also know that the cabinet, twice in 1982 alone, authorized an increase in the capital base of Seaway Trust. In the light of those two facts, I would ask the minister, would he not at least agree there has been a fundamental breakdown of the regulatory process with respect to this company?

Hon. Mr. Elgie: I indicated quite clearly in the statement that I have asked for an internal review of the administrative practices and procedures of the ministry and have also indicated that, in addition to using that information for inclusion in the white paper, if circumstances warrant it I am prepared to have an external review by someone competent in the financial institutions area.

Mr. Peterson: I just cannot figure out whether the minister is saying he is happy with the regulatory performance of his ministry or he is not, but let me tell him that I am not. Let me also tell him these things have been obvious to prudent people for some time.

Mr. Speaker: Question, please.

Mr. Peterson: Is the minister prepared now to submit this entire matter to a royal commission

inquiry to look into not only the financing practices of these companies but also the performance of his ministry, to make sure this never happens again in this province?

Hon. Mr. Elgie: We have the Morrison special investigation going on. We have possession of the assets by the registrar with 100 to 150 people involved in obtaining information and, in the midst of this, here is the member calling for a royal commission. I have to tell my friend that the information that will come out of what we have under way today will be far more effectively obtained as it is being obtained today and will produce results far more effectively than any royal commission.

Mr. Speaker: The member for York South with his first question.

Mr. Rae: Morrison may not give us the answers with respect to the minister's conduct and the ministry's conduct, which is a separate problem.

SALE OF RENTAL UNITS

Mr. Rae: Mr. Speaker, my question to the minister has to do with the tenants of the original Cadillac Fairview buildings. Let us get back to basics. As I read the statement, the minister is saying that in his view there were not sufficient grounds to justify a value of the Cadillac Fairview properties in excess of \$300 million. What does this judgement and finding with respect to the mortgage question and the valuation question do to that entire transaction? Can he tell us now, since it is mentioned nowhere in the statement, exactly what the status of that transaction is and who those numbered companies are? We still have not got an answer to that question, and we have been waiting three months for an answer.

2:50 p.m.

Hon. Mr. Elgie: Mr. Speaker, with respect to the obiter dicta at the beginning, I am quite confident in my own performance in this ministry and in any ministry I have been in in this government. If the honourable member is slurring or imputing a slur—

Interjections.

Mr. Speaker: Order.

Hon. Mr. Elgie: —on the civil servants in this ministry, I have to tell him they are the finest, most dedicated and hardworking people I have ever encountered in my life, who have worked way beyond the duties required of them. So if

that is what he is saying I resent it personally and on their behalf I resent it.

With respect to the tenants, the member knows very well that the reason the government moved as it announced on November 16 was to protect tenants who might be exposed to increased rentals on the basis of financing charges as a result of sales or resales such as this while the whole issue was reviewed by Stuart Thom.

As to the legal effect the statements made by the particular companies involved, that I have reported to members today, have on that transaction, those are matters that will obviously have to be looked at as the days and weeks go by, and as I have further information I will report it to him.

Mr. Rae: I wonder if the minister could tell us why the tenants should have to pay any increase at all, let alone five per cent, three per cent or two per cent, when from the minister's own statement the transaction is something of a bogus transaction because it is based on hyperinflated mortgages. When Leonard Rosenberg's profits are beyond reach and Mr. Player's profits are apparently beyond reach and we still do not know who the numbered companies are, why in goodness' name should the tenants have to pay anything?

Hon. Mr. Elgie: In his haste to put his question I suspect the honourable member has overlooked the fact that the legislation puts a five per cent cap on rent increases related to financing charges, but the guidelines introduced by the commission limit financing charge pass-through for a period of five years to the first sale. That is the option they have, and the legislation clearly states that it shall be the lesser of the two if the commissioner in charge makes that decision. So tenants are not faced with increased costs relating to the resales of those properties, and it is inappropriate to suggest they are.

Mr. Peterson: Mr. Speaker, I know the minister wants to protect the tenants in the circumstances because he has constantly told us he cares about them. Perhaps he would care to explain to me how he intends to handle the following problem. The minister is aware, of course, that Mr. Player is unable to bank at the moment, so it appears that no banks are prepared to take the 25,000 or 30,000 rent cheques that he handles on a monthly basis. The minister is also aware that he has over \$2 billion in financing, paper that is coming due and has to be refinanced, and a lot of the financial agencies are not prepared to touch him.

What is the minister doing to make sure these buildings are refinanced in the orderly course of business? What is he doing to make sure that those cheques are received and distributed appropriately and to make sure that these buildings, if Mr. Player cannot refinance them, are going to be well managed and the rights of the tenants protected in those circumstances?

Hon. Mr. Elgie: Mr. Speaker, I think the Leader of the Opposition understands quite clearly that the decision by various banks with respect to Mr. Player and Kilderkin's banking practices has nothing to do with this government. That is their decision.

Mr. Peterson: It is becoming your problem.

Hon. Mr. Elgie: You may think so, but I am telling you those are decisions not made by us and over which we have no control; in any event, Mr. Player will have to make the best arrangements he can. With respect to the other obligations that other people have vis-à-vis their mortgages, they will have to seek legal counsel.

Mr. Rae: Can the minister tell us how he intends to find out who owns the numbered companies? Can he tell us when he is going to find this out and when he is going to give the House and the tenants of Cadillac Fairview this kind of information so they will know who their landlords are and we will know who the ultimate owners of these buildings are?

Hon. Mr. Elgie: As the leader of the third party knows, the Morrison special examination is still going on. They are still examining people under oath, including persons who should have that information. In any event, I believe it has been made clear to members of this House and to the public that in circumstances where the Residential Tenancy Commission deems it important to have information about ownership it will require it.

Mr. Rae: It would be interesting to know what basis in law that has. It would be immediately challenged, I would suspect.

TAKEOVER OF TRUST COMPANIES

Mr. Rae: Mr. Speaker, I would like to ask the minister if he can confirm the news reports which say that he met with "representatives of a select group of trust companies on January 4, 1983." Can he tell us exactly what information was given to those present at that meeting, three days before the takeover of Crown, Greymac and Seaway? Can he also inform us of any other meetings with trust company officials prior to January 7, 1983?

Hon. Mr. Elgie: Mr. Speaker, first, the cabinet met on Tuesday, January 4. Unfortunately, because of flight arrangements I was unable to be there in time for the cabinet meeting, and discussion and decision on the matter before cabinet was postponed for further consideration on Thursday and again on Friday.

I am advised and I accept that in view of the possibility that a decision might have been reached on that Tuesday, January 4, the trust industry association was contacted, not individual trust companies. They, in turn, brought representatives to a meeting following the close of business. At that time they were advised that cabinet had contemplated some decision but the nature of the decision was not relayed to them and further discussion about anything related to that matter before cabinet was not put to them.

They were not recalled until I requested the president and the administrative executive of the Trust Companies Association of Canada to meet with me again on Friday after the close of business, when I advised them of events that had happened and went on from there.

With respect to other meetings, to the best of my recollection, there was one meeting which the Premier (Mr. Davis) and I attended—I believe it was the day before legislation was introduced—in which we indicated to them our intentions but did not ask whether they wanted us to do it. We were there to tell them what our intentions were and to receive their views. I believe that after the legislation was introduced there was a further meeting with the trust industry by a representative on my behalf, again not with selected trust companies but rather through the industry representatives.

Mr. Rae: I wonder if the minister would care to comment on the propriety of the alleged withdrawal by the Trust Companies Association of Canada of \$64,000 from Crown Trust and the attempted withdrawal by Guaranty Trust of a \$1-million deposit certificate, also of Crown Trust. How does he feel about that?

Hon. Mr. Elgie: Again, I do not want to be critical, but I got into the habit when I was a practising physician of finding out the facts before I operated. I think the first step to take is to find out the true facts of those accusations.

Mr. Breithaupt: Which end are you starting at this time?

Hon. Mr. Elgie: I have cracked a few heads in my lifetime too, and yours might be the next. Mind, I think the skull would be a little thinner

and it would not be as much work to get the bone flap up, but you would not find anything beyond the skull.

Interjections.

Hon. Mr. Elgie: Is the member for Hamilton Centre (Ms. Copps) shocked? That was my job. I am sorry to tell the member, but that is what I did.

As soon as the facts of those reports are ascertained, I will make a determination as to whether or not the issue should be reviewed further. If they are as reported, certainly I have the same concerns as the member has about it.

Mr. Peterson: Mr. Speaker, the minister has had some time to find out. It happened last week, 10 days ago. Would the minister investigate and report to this House tomorrow whether any of the people who had inside information and knew about his takeover—and there were a lot of them—used their insider information to withdraw money prior to his takeover of those companies?

Surely he should be concerned about the propriety of this situation. One of the whole questions we are dealing with here is insider information—the improper use of information for self-serving purposes. Surely he has to be clean in this matter and so far he has not been. Will he come back tomorrow to this House and report on everything that transpired?

3 p.m.

Hon. Mr. Elgie: Mr. Speaker, unlike the Leader of the Opposition I like to find out facts before I try to get political Brownie points.

Mr. Peterson: No you do not. You have been—

Mr. Speaker: Order. Will the honourable Leader of the Opposition please resume his seat?

Hon. Mr. Elgie: I have indicated what I will be doing. I will first of all be verifying the facts of the reported story and if they are found to be so I will be making decisions about other measures which should be taken. When I have the information required for a report to this House on that matter I will make it.

Mr. Rae: Mr. Speaker, my final supplementary has to do with the contrast between those with insider information and those who do not have it. I refer to the advantage those on the inside have apparently—or allegedly—been able to take compared with a retired couple in Ottawa who sold their house and invested the proceeds in guaranteed investment certificates

of various trust companies. They use the monthly interest of those GICs to pay their rent. I am told \$20,000 of their GICs are with Seaway Trust and they have discovered that no one will cash their monthly interest cheques which they need for their rent.

The minister should be aware there is a real concern over what is happening here, a perception of a genuine inequality. Certain people were able to take advantage of insider information, take out \$64,000 before the companies were taken over, and other people—

Mr. Speaker: Question please.

Mr. Rae: —who need the money for their rent are not able to do anything about it. So the minister should be aware of that.

Hon. Mr. Elgie: Again, I would think that on reflection the member would say it is alleged there were withdrawals on the basis of insider information. He did not quite say that—if he looks at Hansard he will not find that. I am sure that is what he meant to say but in his haste—I understand all that.

I am very sympathetic for the plight of people like those he has described in Ottawa. We have done and continue to do our best to allow the company to operate in as normal a fashion as possible, taking into account the constraints under which we are operating. As the member knows, those people are quite able to withdraw up to the limit of insurance at this time.

Mr. Peterson: The minister is no doubt aware that under the Ontario beef cattle financial protection program, all dealers in Ontario must be bonded under the Ministry of Agriculture and Food legislation. This deposit is intended as protection for livestock producers who sell their products to these dealers.

I want to bring to the minister's attention an example of his failure to act to restore confidence in the current situation which arose last week. The livestock commissioner of the Ministry of Agriculture and Food assessed Bright Veal Meat Packers of Toronto that on the basis of the size of their operations they should post a \$280,000 bond as required under the current legislation. That was on January 11 and 12 of last week, Tuesday and Wednesday.

Bright Veal Meat Packers then tried to use a guaranteed investment certificate of \$500,000 issued by Crown Trust as collateral. All the appropriate directions were obtained, yet the Ministry of Agriculture and Food refused to consider the Crown Trust certificate as security

although they were prepared initially to accept other trust companies'—

Mr. Speaker: Question please.

Mr. Peterson: The question is are these companies in business? Why are his colleagues in other ministries not accepting security on the basis of those companies? What is the status of those companies? Are they going on or are they not? What instructions is he giving?

Hon. Mr. Elgie: I indicated very clearly, in the depth that I am able to at this time—

Mr. R.F. Johnston: Let somebody else ask some questions.

Mr. Speaker: Order.

Hon. Mr. Elgie: —the extent to which businesses have been operating under the severe constraints that we all have during this period of assessment. When there is further information to report to the Legislature I will be glad to give it. In the meantime, if there were concerns about why that was not acceptable as a bond I think the member should address that to the minister involved.

Mr. Nixon: You are the minister involved.

Mr. Speaker: Order.

Mr. Peterson: He is the minister. He shut down the operations. He has jeopardized the security so people cannot carry on a normal commercial transaction. He should take this opportunity to make a statement of how people in this situation should act. What can they do? No one is providing any answers and I want the minister's answer right now. Is that good security from Crown Trust and the other trust companies or is it not?

Hon. Mr. Elgie: I understand the game the member is playing. We all understand the game he is playing. I have clearly reported to him the present information that is available on the three trust companies and have indicated the intentions of the government regarding discussions that are taking place at present relating to Crown Trust. When all those matters are resolved and when I have further information to report to this House, I will do so.

Mr. Rae: Mr. Speaker, I wonder if the minister could at least agree to negotiate with the banks and with members of his cabinet with respect to some of their activities? Will he negotiate with the banks concerning their obligation to at least cash the GIC monthly interest cheques instead of standing back and allowing them to close ranks, not simply against the trust companies but against the trust companies'

depositors? That is the issue. The minister should know that cancellation of a GIC costs money.

Hon. Mr. Elgie: That is one of the issues we have been discussing with the banks. To date it involves not just us but primarily the Canada Deposit Insurance Corp., which has put guarantees of backup funding and made that available to the trust companies. It is an issue we are aware of. It is a very difficult one, I understand that. If it can be resolved, it will; if not, I hope to be able to report to the House when I have further information.

Mr. Speaker: New question, the member for Welland-Thorold.

Mr. Swart: Mr. Speaker, on the same subject, I have a question for the Minister of Consumer and Commercial Relations.

On page 21 of the minister's statement he makes this comment: "The new arrangements respecting Crown Trust will mean that all deposits, estates and trusts with Crown Trust are safe and secure and that business can thus carry on in a normal way." The next statement is, "The preliminary assessment of Seaway Trust and Greymac Trust indicates that they are in a more difficult financial position than Crown Trust, but it is too soon to say with certainty what might happen to them."

Is the minister telling us that there is not the same kind of hope, or that there is very little hope, of working out a plan to secure the depositors with Greymac and Seaway?

Hon. Mr. Elgie: I am really not saying any more than I reported in the statement. The preliminary information we have to date on the basis of the interim report indicates they are in a more difficult financial position. Clearly, as I stated at the outset and as I repeated today, if any way can be found to keep any or all of these companies viable, it will be found. When I am able to report to the House with that information I will do so.

Mr. Swart: I think the minister said the increase to \$60,000 in the deposit insurance that he announced would be effective today. Will it apply to the three companies so that all depositors will get their \$60,000—including the depositors at Greymac which announced its dissolution today? If the federal deposit insurance does not apply will the minister change his legislation to ensure that this province will give that \$60,000 guarantee on deposit return, in view of the fact his legislation and policing are inadequate to meet these problems?

Hon. Mr. Elgie: I simply reported a phone message to the Legislature. I will have to get further details. The information I have been given is that the new \$60,000 deposit limit would be effective as of today. Certainly I will be pleased to report to the House what that means in terms of the questions the member has asked.

I am sure the member, as a great reader of parliamentary history, will recall that in 1967 this government raised the issue of deposit insurance, introduced legislation and prompted the Canadian government to bring in the whole issue of the Canada Deposit Insurance Corp. Having done that and having commended the federal government for doing it, as a country we now look to the Canada Deposit Insurance Corp. to provide nationwide coverage with respect to deposits in trust and loan institutions and in banks.

Mr. Peterson: With respect to the health of the various trust companies, no doubt the minister is aware that a number of people have been withdrawing their assets from these companies and indicating their intentions to so do. Pension fund lawyers are withdrawing their estates from Crown Trust and the others as well. Does the minister know how much has been withdrawn? What are the indications to date of how much that will be? What is the accounting, after the first week, of how much those assets have deteriorated?

3:10 p.m.

Hon. Mr. Elgie: Mr. Speaker, it is wrong to believe there was in any sense of the word a run on the trust companies, either these specifically or trust companies in general. I do not have the figures before me yet but when they are available and when I am able to report them to the House I will. It has been made clear to me that the number of withdrawals diminished rapidly as the week went by. To date, I would suggest there has not been any serious impairment of any of the companies from withdrawals. Again, I would have to await a further report on this.

Mr. Peterson: The minister is aware that Ian Outerbridge, the lawyer for Mr. Rosenberg, wrote a letter on or about January 9, 1983, to David Richardson, the president of Clarkson Co., who are acting as agents for the government in the control and takeover of the assets of Crown. In that letter it is indicated that with respect to the potential sale of Crown, Mr. Rosenberg was prepared to put up \$35 million from the purchase price for a two-year period to

secure "a list of particular transactions which you indicated to us were presently advised soft."

Would the minister indicate which transactions of Crown Trust are considered soft? Is it just that Cadillac Fairview deal and all the transactions attendant thereto, or are there other transactions in the Crown portfolio that are considered soft?

Hon. Mr. Elgie: I have indicated in a general way the number in dollar terms with respect to those elements of the mortgage portfolio in which there may be some overvaluing. However, until further information is available to me I will not be reporting on this issue further.

Mr. Peterson: When did the minister first find out about this whole matter? Was it after the Cadillac Fairview deal, or did he have any indication beforehand that this was going on?

Hon. Mr. Elgie: I do not intend now or at any time to get into a detailed review with respect to the financial affairs of trust companies in this province. I have indicated that an internal review of the practices and administrative procedures is under way and I have indicated what I intend to do after that.

CLOSURE OF CHRYSLER PLANT

Mr. Cooke: Mr. Speaker, I have a question to the Minister of Industry and Trade regarding the Chrysler situation. I would like to ask the minister if he is aware that Chrysler is today announcing the closure of the spring plant in Windsor? This puts 300 people out of work as of July 15, 1983, in addition to cancelling contracts sourcing parts from SKD, National Auto Radiator, Cardon Press, Tecumseh Metal and several other companies within Ontario. Thus it means several hundred other jobs will be lost. What contact has the minister had with the corporation?

Perhaps he could also indicate the position of the provincial government on the cancellation of the negotiations on the loan guarantees. Where does the Ontario government fit in on this and why has the minister been so silent on this very important matter?

Hon. Mr. Walker: Mr. Speaker, I am aware of the impending closure of the spring plant in Windsor and, of course, virtually everybody is aware and has been aware for many months that this was likely.

I was in touch with officials of Chrysler this morning and I have been in touch with them a number of times in the last few weeks, particularly as it related to the spring plant. I am aware that Chrysler is the last company of the automobile

firms to be manufacturing at their own spring operations. AMC, Ford and General Motors have completely phased out that operation.

Second, I understand that Chrysler was losing \$5 million per year on this plant, and these figures have been verified by the federal government. It has been inevitable that the closure would occur; it has been known for the last year. Today it has taken effect. I am informed the employees of that plant will all find work within the system in the next while.

Chrysler at the moment has a disproportionate share of its employees working in Canada as opposed to those in the United States. It is anticipated that all of the employees who might have been phased out of the spring plant in Windsor will be deployed in other plants and I am informed that virtually nobody will be out of work.

I am aware Chrysler has something like 11,000 employees working in Canada at this moment, some 8,500 of whom are in Windsor, so in many respects they have lived up well to that particular obligation of maintaining employment contracted for some time ago.

Mr. Cooke: Mr. Speaker, it does not matter what a corporation does in this province. They can always count on the Minister of Industry and Trade to protect them and defend them in this Legislature.

Mr. Speaker: Question, please.

Mr. Cooke: Does the minister realize the seniority clause within the contract means the 300 employees at the spring plant will probably be protected but that they will bounce other employees and 300 people will be thrown out of work? Does he not even realize that basic fact?

What is the provincial government's position on the renegotiation of the loan guarantees? What role does the minister plan to play? Does he intend to encourage the federal government to designate all the van wagons, the T115s, that are produced in Canada as trucks so that Chrysler Corp. has to maintain the production of cars in Canada, which is crucial for that corporation and for the employees? What are his expectations? Does he know what the seven demands of the corporation are with respect to the amendments to those loan guarantees?

Hon. Mr. Walker: Mr. Speaker, I think it would be a little easier to deal with one question at a time. The honourable member might find it a bit easier to ask them that way than to go through about nine different questions at once.

Let us go through the questions the member

has posed as much as I can remember them. In the first one he talked about the people who will be displaced. At the moment there is an attrition, I am informed, of 75 Chrysler employees a month. When added up that will equal the 235 hourly-rated employees who will be laid off in the process and the 43 salaried workers who are currently working at the facility. So I think it is fair to say that by the attrition process there will not be an absolute displacement. What will happen, of course, is that there will not be a restoration of that employment.

Mr. Cooke: You will probably redefine that as job creation.

Hon. Mr. Walker: I think the member has to pipe down long enough to hear the answer, then respond if he would like. Would he give me the benefit of that? I was extremely quiet when he was speaking and I would like him to do the same, if he would not mind. It would be beneficial to the House if he just kept his trap shut for a few moments.

With respect to the T115s, as the member knows that program is going forward and they intend to have that conversion in place. It will mean the displacement of the automobile production.

We are at present attempting to get Chrysler to source its automobiles somewhere in this province. The member has heard about the alternatives: there are other plants that are readily available and well known to him. We would expect Chrysler to maintain its obligations under the loan arrangements. Mr. Lumley has indicated there will have to be a renegotiation of the terms. We have not paid one cent out relating to the diesel plant. As far as I understand the federal government has not paid out one cent either. So we are fully protected from that point of view.

Mr. Wrye: Mr. Speaker, I have a supplementary to the minister, who is either incredibly naive or incredibly uncaring about the unemployment problem in Windsor.

Let me take him back to December 23. At that time there were going to be 1,000 new jobs at a diesel engine facility he was so grandly down in Windsor in August to co-announce; there were 300 jobs in a spring plant; so today we are short 1,300 jobs in a city with 18 per cent unemployment already.

What contacts has he had with M. J. Closs, the president of Chrysler Canada, and/or Lee Iacocca, the president of Chrysler Corp.? Has the minister agreed to a meeting that was requested on

January 12 of this year by Local 444 to discuss all these matters, specifically the cancellation of the diesel plans and the cancellation of the spring plant?

Since he has always cared about moving forward with jobs and with announcements he and his government have made, whatever happened to the \$20 million research and development facility we were to get, which his predecessor, the current Minister of Health (Mr. Grossman), announced? The government was to put in \$10 million. Is Windsor going to get that facility? If so when are we going to get it?

3:20 p.m.

Hon. Mr. Walker: Mr. Speaker, Chrysler has not drawn down anything with respect to the original loan agreement for that research and development facility. It had the option of drawing down on the \$20 million. It has not drawn down any of the funds and I would assume there will not be an R and D facility there.

There was to have been a \$10 million R and D facility in relation to diesel technology. Presumably that is not going forward because obviously the diesel plant in Ontario is not going forward. I will be meeting with Mr. Gerard on Wednesday of this week to discuss the situation. I have had approximately five discussions with Mr. Closs in the last three and a half weeks in relation to the question.

REGULATION OF TRUST COMPANIES

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations. The minister has said he is satisfied the registrar and his staff have been doing a good job, yet on page 19 of his statement he says, "The books and records of both Seaway and Greymac were found to be seriously lacking in accuracy and completeness and are not up to date." From what period are those books inaccurate and not up to date? How long has the ministry known; or is that the kind of behaviour the minister condones, believing as he does that his ministry is doing a good job?

Hon. Mr. Elgie: Mr. Speaker, those again are matters that will be reviewed both by the internal committee and through whatever other advice I can get from those who are at present in possession of the assets of those companies. When I have that information I will report it to the House if there is no constraint on my doing so.

Mr. Peterson: Given the seriousness of the

charges the minister has levelled against his own staff on the one hand—

Hon. Mr. Elgie: No.

Mr. Peterson: Well, he is saying the books are inaccurate, are seriously lacking in accuracy. On the other hand, he is saying they are doing a good job. I maintain he should have known about this some time ago and we must get at the root of why his ministry failed. Will he use his influence as minister at least to allow this matter to go to a committee of this House for a thorough review of his ministry's behaviour throughout this whole matter?

Hon. Mr. Elgie: I have indicated the steps I am taking with respect to a review of the procedures and the administrative practices of the ministry.

Mr. Renwick: Mr. Speaker, I want the minister to tell us, in response to the attempted question by the Leader of the Opposition, did the registrar—

Interjection.

Mr. Renwick: It was a good question. It was the minister's failure to answer that made the problem.

Prior to the minister's appointment of Mr. Morrison under section 152 of the Loan and Trust Corporations Act, did the registrar of loan and trust corporations take either of the actions permitted to him, which are his responsibility under section 51 of the Loan and Trust Corporations Act, with respect to obtaining reports with respect to Seaway and Greymac; or did he make any report to the minister under section 158 with respect to the adequacy of the assets of those companies? I emphasize again to the minister, this is prior to his appointment of Mr. Morrison.

Hon. Mr. Elgie: Mr. Speaker, I do not want the member to think I am avoiding an issue, but I have indicated clearly that I am carrying out an internal review at the present time. When I have information from that, and if there are no constraints, I will be pleased to report to the House.

RAILWAY CAR INDUSTRY

Mr. Mackenzie: Mr. Speaker, the Minister of Industry and Trade was here a moment ago. Oh, he is still here.

Is the minister aware of the concern of the workers at National Steel Car in Hamilton where more than 1,000 of them are currently laid off? In the railway car industry generally there is a large unused production capacity.

Now those workers have gotten the announcement that Canadian National is considering upgrading its own Winnipeg facilities at a cost of several million dollars to build the 890 gondola cars that are supposedly going to be ordered in the marketplace shortly. Has he any comments on that matter?

Hon. Mr. Walker: Mr. Speaker, I am very disappointed in the federal government. In effect, it is Canadian National which has made the decision to acquire the vehicles from another source in another province. I find that disappointing, particularly when we have excess capacity here in Ontario. I have registered my objection in the strongest way with the federal government and directly with Canadian National.

Mr. Mackenzie: Other than just laying the blame on the feds, where some of it may belong, has the minister responded to the union's request that he meet with them as well as the federal minister in an effort to straighten out this matter? What specific steps has he taken to see we do not have the ludicrous situation of spending tens of millions of dollars to build another plant when we have three such plants in Canada not operating right now?

Hon. Mr. Walker: Yes, I am prepared to meet with the union and to attempt to meet with the federal government on that very issue. The federal government has off-loaded the decision on to Canadian National and claims Canadian National had the authority to make the decision and did so. Presumably Canadian National would indicate it was done on a variety of grounds.

Whatever the case, in light of the fact that we have that idle capacity here in Ontario, an existing plant facility capable of producing a very fine car, I cannot possibly understand what would cause Canadian National, which is really a very distinct limb of the federal government, not to purchase from the Hamilton works. It is beyond my imagination.

I think the decision is ludicrous. I have registered that opinion and I am prepared to take what other steps seem reasonable under the circumstances. If the member has some suggestions on this, I would be glad to assist him.

Ms. Copps: Mr. Speaker, could we ask the minister to do a little bit more than simply registering a strong objection? Could he take the initiative and organize a meeting with the federal minister as well as with Canadian National to discuss an issue which is critical to the employment situation in the Hamilton area?

Hon. Mr. Walker: I expect to be speaking today to the responsible minister of the federal government in this case and I will be talking to him in those terms.

DEPOSITORS' ASSETS

Mr. Peterson: Mr. Speaker, I have a simple question for the Minister of Consumer and Commercial Affairs that will require a simple answer.

Is the minister now saying that he is guaranteeing that no depositor in this province, in any of these companies will lose any money as a result of these takeovers and all these strange transactions? Is he making that statement clearly and simply?

Hon. Mr. Elgie: Mr. Speaker, I do not think I have said that anywhere. What I have said is that a final report on the examination of these companies that are now in the possession of the registrar will be made to this House when that information is available to me. That is the kind of information I will provide when it is complete, not while we are at the interim report stage. The Leader of the Opposition really does not expect that.

Mr. Peterson: Just so I understand it very clearly: The minister is not guaranteeing there will not be losses and there may indeed be some losses by the depositors of these various companies.

Mr. Speaker: Question, please.

Mr. Peterson: I want the answer: I am asking the minister. He is running the companies and I want to find out the state of the depositors' assets at the present time.

Let me ask the minister this question: What, in his opinion, is the extent of the jeopardy? Is it \$130 million? Is it less? Is it more? What are the projected losses of these companies? How much public money will be at jeopardy through the federal deposit insurance corporation as well as any guarantees this province may be called upon to make some time in the future?

Hon. Mr. Elgie: As I have indicated to the Leader of the Opposition and to members of this House, when I have that information it will be reported to this House. It will not be made on the basis of incomplete information at the present time. It will be made when there is complete information.

Mr. Rae: Mr. Speaker, without attaching any personal blame whatsoever, there is at least a possibility it is the process of regulatory break-

down that has caused the problem with respect to these three companies.

I refer the minister to page 18 where he talks about Seaway and Greymac. He says, "The basic cause of this situation in each company has been its mortgage lending and investment practices"—presumably over the long term.

Can the minister tell us why any innocent investor or depositor should suffer as a result of this regulatory breakdown, which is surely the responsibility of the government alone?

Hon. Mr. Elgie: That seems to be a conclusion the member has reached. It is not a conclusion I have reached.

WELFARE COSTS

Mr. R. F. Johnston: Mr. Speaker, my question is for the Treasurer and is with respect to welfare numbers across the province.

Is the Treasurer aware that in London, from December 1981 to December 1982, there has been a 51 per cent increase in the number of people on welfare? There are 1,240 more on welfare in London this year than last year; in Ottawa, an increase of 1,305; in Hamilton, an increase of 1,310; and in Kitchener, an increase of 1,391, or 45 per cent.

Is the Treasurer also aware that month over month, just from November to December, there have been increases of 10 per cent in Sault Ste. Marie, 8.49 per cent in London and 13 per cent in Peterborough?

3:30 p.m.

If the Treasurer is aware of these incredible, continuing, skyrocketing numbers on the welfare rolls, will he tell us whether he now is ready to move and give the extra help that he said in many newspaper reports across the province in December might be available? And if he is ready, which of these areas is he going to help with these incredibly increased costs to the municipalities?

Hon. F. S. Miller: Mr. Speaker, I am aware of the increases in welfare costs across the province, and I am sure my colleague knows they are shared by all three levels of government. I think the sharing formula is fair as long as the tax base of the municipality is able to pay its share.

I have been quite aware that there might be municipalities, particularly municipalities in single-industry cities or towns, that would be faced with pressures that were too grave for them, and in that kind of instance I would be guided by advice from the Minister of Municipal Affairs and Housing (Mr. Bennett), who

would be in a position to tell us whether the municipality could or could not pay its share.

One should try to put all this cost in perspective on average. That is why on average there may not be a problem but in specifics there may be. We have to have that ability to differentiate between the average and the specific. On average, I am told, it has added about one per cent to the total costs of municipal government in the province, but for certain municipalities it is going to be adding a considerable amount.

Before getting rid of or greatly modifying a system that has been proven to work surprisingly well over the years, I would ask for that kind of advice. We said months ago that if it were demonstrated that a specific municipality honestly could not raise the taxes, then we would be listening to proposals.

Mr. R. F. Johnston: If the Treasurer feels it is not a problem of the system but, rather, something that may just affect some individual municipalities across the province, what is his response to the fact that in response to a letter from me suggesting that property tax no longer should be the basis for welfare costs, the municipalities of Sarnia, Guelph, Timmins, St. Catharines, Sault Ste. Marie, Durham region, Etobicoke, East York, Scarborough, North York, Belleville, North Bay and London have all endorsed my suggestions and suggested that it is time we got welfare off the property tax? In fact, it is the system itself that is wrong.

Hon. F. S. Miller: With great respect, if we petitioned any municipality in the province and asked whether, for example, education should be on the property tax base, we would be told it should not be. If we asked them whether roads should be on the property tax base, they would say they should not be. They simply transfer the base, naturally, to any other level.

FINANCIAL INSTITUTIONS

Mr. Peterson: Mr. Speaker, since the Minister of Consumer and Commercial Relations (Mr. Elgie) has chosen to the leave, I will ask a question of the Premier.

I am sure the Premier is concerned about the deterioration of confidence in trust and financial institutions in this province in the past little while, and I am sure he has followed all these events with great interest. What is the Premier going to do and what is he prepared to do to try to restore confidence, particularly when one of his own ministries is not prepared to accept as security the certificates of one of the subject

trust companies? Can he tell me what his responsibility is in that regard?

Hon. Mr. Davis: Mr. Speaker, I have complete confidence in a general way in the financial institutions in this province. I have always felt this and I continue to feel it. There are those situations that on occasion disappoint and concern us, but I think one has to keep it in perspective. If one looks at the history and traditions of our financial institutions in this province, and I know the honourable member can always seize upon four or five examples, but when you take that as a part—

Mr. Sweeney: Astra, Re-Mor, British Mortgage, Atlantic and Argosy.

Hon. Mr. Davis: Listen, I am as aware of them as the honourable member is; I have been here a lot longer than he has. But if the member really canvasses the views of people in other financial centres outside Ontario, in spite of the problems we have experienced on rare occasions, the integrity or the trust or the competence of the financial institutions in this province is regarded very highly.

I think it is important during the current discussions, in relation to the minister's statement and to some of the questions emerging from the Leader of the Opposition, that the members of this House and the Leader of the Opposition do not create the impression that there is far more difficulty than, in fact, exists within the financial institutions in this province.

I think it is fair to state, if members want my general observation, that I have confidence in the basic financial institutions in this province. If that is what the member is asking me to say, I have that confidence.

Mr. Peterson: I take seriously the advice of the Premier that it is important that I, my caucus and no one else in this House should create an unnecessary panic. But I also feel, and I am sure the minister will agree with me, that absence of information, stonewalling, not returning phone calls, not explaining what is going on to the public in themselves create anxiety.

The Premier now has admitted that the legislation needs a complete overhaul, something that should have been done some years ago; that we have had some 10 or 15 financial collapses in this province under that legislation in the past 10 to 15 years, roughly the time he has presided over this province as Premier; and that he now is going to have to investigate his own regulators and see whether they are well financed

and competent enough to handle the difficult job they have.

Given these facts, does the Premier not feel that he personally could help create confidence in these institutions if he were prepared to stand up in his place today and say, "No depositors will lose money in these situations"? Through the Canada Deposit Insurance Corp. and his own guarantee, should it be necessary—I gather we do not know the extent of that liability yet—he could say, "We will make sure no one will lose as a result of the trust companies." As a result of that, people across this province will have faith in all the institutions he wants them to have faith in.

Hon. Mr. Davis: The next thing the Leader of the Opposition will be suggesting is that we guarantee as a government, or I stand up and personally guarantee, everybody who invests in the stock market in this province. I have to tell him, we are not prepared to do that.

I think it is fair to state that the minister has made it abundantly clear today that his ministry and he personally—and members can interrupt or heckle me if they want, but I want to give public credit to the Minister of Consumer and Commercial Relations for the way in which he has handled this very difficult situation in the past three weeks. He has done it with great confidence, and I want to express my public appreciation to those who assisted him. He has done it extremely well.

I say to the member that because of the minister's actions there is no question that the interests of the depositors in the three companies that have been a subject of this discussion are in a much better position and have been enhanced.

Of course I am not in a position to guarantee everybody about everything.

MOTIONS

HOUSE SITTING

Hon. Mr. Wells moved that, commencing January 19, the House will not sit in the chamber on Wednesdays unless otherwise ordered.

Motion agreed to.

ESTIMATES

Hon. Mr. Wells moved that, in the standing committee on social development, the estimates of the Ministry of Citizenship and Culture be taken before the completion of the estimates of the Ministry of Health.

Motion agreed to.

COMMITTEE HEARINGS

Hon. Mr. Wells moved that standing order 72(a), respecting notice of committee hearings, be suspended for the consideration of Bill Pr27, An Act respecting the City of Ottawa; Bill Pr42, An Act respecting the Corporation of the City of Pembroke; Bill Pr48, An Act to revive Glanworth Investments Ltd.; and Bill Pr51, An Act to revive Beth Sholom Synagogue by the standing committee on regulations and other statutory instruments on Thursday, January 20, 1983.

Motion agreed to.

3:40 p.m.

RESPONSE TO WRITTEN QUESTIONS

Mr. Wrye: Mr. Speaker, before the orders of the day and while the government House leader (Mr. Wells) is here, I rise on a point of order.

I notice in looking through the orders and notices, and I will not even enumerate them, that dozens or perhaps even a couple of hundred questions remain unanswered. The answer to question 191 was to be available to my colleague the member for Essex South (Mr. Mancini) back on October 15, 1982, and most of the remainder were given interim answers.

The approximate date the information was to be available was December 17, which coincided quite neatly with the day we had expected to be out of here. Since it is now January 17, 31 days later, may I ask the government House leader on a point of order whether he could report to us when those questions will be receiving answers?

Mr. Speaker: I must point out to the honourable member that it is not a point of order. However, I am sure the government House leader will take it under advisement and will respond as quickly as he can.

SECURITY OF LEGISLATIVE BUILDING

Mr. Conway: Over the holidays, Mr. Speaker, I read with a great deal of personal upset that the government House leader, in consultation with others in the House leaders' panel, has considered the possibility of installing plexiglass in this chamber at very considerable public expense. I do not know where the debates are, although my colleague the member for Brant-Oxford-Norfolk (Mr. Nixon) informs me there has been some discussion. I just want to quickly indicate my very strong personal disapproval that anyone, anywhere, is thinking of that kind of scheme.

Mr. Speaker: Again, I must point out to the honourable member that it is not a point of privilege—

Mr. Roy: Isn't it? I thought it was.

Mr. Speaker: No, and he knows it as well as I do. However—

Mr. Conway: I will accept that.

Mr. Speaker: Thank you. Just for the information of all honourable members, several options are going to be reviewed by the Board of Internal Economy in the near future.

Mr. Breithaupt: Mr. Speaker, on that point: Might we ask when there may be some report on that theme and what the input might be?

Mr. Speaker: At the next regular meeting of the Board of Internal Economy.

Mr. Roy: I will tell you—

Mr. Speaker: Order. Will the member for Ottawa East please resume his seat?

MOTION TO SET ASIDE ORDINARY BUSINESS

Mr. Rae moved, seconded by Mr. Renwick, pursuant to standing order 34(a), that the business of the House be set aside to discuss a matter of urgent public importance, namely, the real concerns of thousands of Ontarians who are tenants in buildings formerly owned by Cadillac Fairview and depositors and customers not only of Greymac Trust Co., Seaway Trust Co. and Crown Trust Co., but other financial institutions; the failure of the government to give a full and complete explanation of its actions, including the implications for legitimate savers and innocent investors in the three companies; the continuing mystery surrounding the Cadillac Fairview apartment deal, and the role of Greymac, Seaway and Crown, and some of their principals, in that deal; the history of failures and problems concerning loan, mortgage, trust and finance companies in Ontario, such as Atlantic Acceptance, British Mortgage, York Trust, Re-Mor, Astra Trust, District Trust and Argosy; the obvious inadequacy of the Loan and Trust Corporations Act; the failure of the government to regulate the industry in an orderly and competent way; the refusal of the government to act on the problem of concentrated ownership in the financial institutions sector in Ontario; the ramifications of this entire issue on the tenants of Ontario whose buildings are used as trading chips for unknown interests; and the refusal of the government to call a full public inquiry into all aspects of this issue.

Mr. Speaker: I would like to ask the co-operation of all members in limiting their personal conversation. It is very difficult to hear the person who is speaking.

I am pleased to accept the notice of motion under standing order 34(a). The notice was received in time. I shall be pleased to listen to the member and to others for up to five minutes as to why the ordinary business of the House should be set aside.

Mr. Rae: Mr. Speaker, I can think of few issues that have caused greater concern, both to the general public and to those people who are directly affected by these transactions and the problems facing these companies, than the Crown Trust, Seaway Trust and Greymac Trust affair, which has preoccupied many of us in the Legislature for some time.

There is a very real contradiction in the statement the minister made today. That contradiction is simply this: at the end of his statement, the minister recognizes there is a serious and severe problem with respect to the trust company industry and with respect to the legislation that governs trust companies.

He says, for example: "I do not believe that it overstates the situation to say that we should rethink the basic scheme of the act and ensure that the requirements placed on the owners and operators of trust companies are consistent with the needs of the current business environment and with the fact that there is no inherent right to operate a trust company independent of the corresponding obligation to protect the public moneys entrusted to them. It is a privilege to be permitted to seek deposits from the public and only those who fully accept the fiduciary nature of the business should be able to operate a trust company in Ontario."

The very fact the minister had to state that, as if this was somehow a dramatic change or shift in public policy, is in itself an indication of how far removed this government is from its obligations with respect to this industry. When the Premier (Mr. Davis) stated today that there was somehow a comparison between risks and gambles taken on the stock market and investments that are made in trust companies in this province, that in itself showed just how far removed this government is from the average, everyday concerns, beliefs and views of the average citizen of this province.

I do not think the average citizen of this province thinks he should be taking a gamble, or that he is taking a gamble, when he goes into a trust company. The average citizen of this

province thinks that "trust" in the words "trust company" should mean something, that those people who have the right to manipulate other people's money have strong fiduciary obligations, and that the money they deposit in trust companies should be safe and should be guaranteed.

There is a fundamental contradiction in the statement by the minister today. It is not simply that half its content is almost like an academy awards speech—for example, congratulating Bell Canada, saying how many phones it set up and what a wonderful job everybody has been doing, giving us all manner of information that does not give us any further insight into what has happened or with respect to whether there has been any concealment or fraud.

There is no insight as to precisely what action the government plans to take. There is no indication whether it is going to find the identity of the numbered companies and whether the Cadillac Fairview deal still stands or whether it has been set aside because of the fact the mortgages have been overvalued. There is no indication as to the exact position of the depositors and the tenants, as to what the future of loan and trust reform in this province is going to be and whether there are any criminal investigations under way or whether the government contemplates laying any charges. That is the kind of information we expected today from the minister; that is the kind of information we did not get.

The minister has admitted there is a profound problem with respect to regulatory reform. He admits there has been an ongoing practice for a number of years with respect to at least two of these companies which is unsatisfactory and which causes problems, and yet at the same time the cabinet agreed twice in 1982 to a dramatic expansion of the capital base of one of those companies.

The minister can take it as personally as he wants. I suggest to him he should not take it personally and should not see it as a personal attack on him or his ministry when we in this party say we are not satisfied with the process of regulation of the trust industry, that there have been too many problems for too long a time, that it is something that has gone on for a very long time in this province, and that people in this province do not think the trust industry is a gambling, stock market or speculative industry. The people in this province do not think people who speculate should be in the trust business; that is the assumption we have.

The concern we have is that this government, if I may say this to the minister in all frankness, has waited too long to act; it should have had some information which it has not had. If the minister is saying, as I understand him to be saying, there is a possibility there has been direct concealment or concealment in some way with respect to the conduct of those companies, I hope he says it very soon. I hope he says it clearly and publicly.

3:50 p.m.

Mr. Speaker: The honourable member's time has expired.

Mr. Rae: I am prepared to accept, as the minister says in his statement, that "it is exceedingly difficult to detect irregular or illegal activities." What I am indicating is that the statement of the minister today is not satisfactory; we do need a public inquiry, an inquiry that is independent of the government and independent of the minister. I hope very much that the government will agree to this motion being heard and that the members of the Liberal Party will agree with it as well.

Mr. Breithaupt: Mr. Speaker, of course the official opposition feels that this is a matter of urgent public importance. We are delighted the third party is finally involved in this area. Certainly the member for Riverdale (Mr. Renwick) said from time to time that they did not have the resources to dig into these kinds of themes, but the fact that they get paid 30 for 22 has perhaps allowed a bit of research money to be otherwise available.

There are three themes here. One theme is to ensure that depositors and investors are protected by the province in accordance with the legislation that now exists. The second theme is to ensure that the tenants of the province, particularly the occupants of those some 10,000 units, are going to be protected so that any resultant shortfall in this financial wheeling and dealing does not impinge on their obligations, which otherwise are being unfairly imposed on them. The third theme is the ultimate responsibility for these kinds of events.

As members well know, during my 15 years in the Legislature I have been involved for my party in a number of financial critic roles in Treasury and Economics, in Consumer and Commercial Relations, as chairman of the public accounts committee and, over this past year, as acting critic for the Ministry of Consumer and Commercial Relations during the convales-

cence of my colleague the member for Essex South (Mr. Mancini).

Throughout these years I have observed from time to time on the variety of financial disasters that have occurred and are cited and highlighted in the motion that is before us. As you well know, Mr. Speaker, as do other members of the House, as a director of a trust company I have some knowledge and background in these kinds of circumstances and some of the difficulties that can arise.

We have seen, therefore, these three themes. Let me look at the third one first, which I believe will make the Premier's office an area of ultimate responsibility in this matter.

We know that the member for York East (Mr. Elgie) now has been Minister of Consumer and Commercial Relations for a year. We have seen the member for Scarborough Centre (Mr. Drea), the member for London South (Mr. Walker) and the member for Brock (Mr. Welch), in their terms, be ministers of this ministry. We know of Eric Winkler's involvement. We have seen two or three others over the eight or 10 years during which this ministry has existed. Ministers come and go with great regularity. It is a ministry that is responsible, I believe, for some 72 pieces of legislation, and it seems to me that the only consistency throughout this piece has been the involvement of the Premier as first minister, with the responsibility that perhaps is a little too much for the revolving-door ministry involved to accept.

The Premier has the ultimate responsibility, and I am sure he accepts it. He knows full well that a variety of financial institutions are going to be put under pressure because of these events. But from time to time on each of these occasions, whether it is Astra and Re-Mor, whether it is Argosy, whether it is the British Mortgage situation, we have had the minister of the day say, "Well, it will never happen again." Unfortunately it seems to continue to happen.

There is a web of regulatory agencies that exists. We should know—

Interjection.

Mr. Breithaupt: That is true.

Hon. Mr. Davis: In fact, I do not think we had the ministry then.

Mr. Breithaupt: No, we did not have the ministry there, but I think the Premier has had some responsibility for a fairly long time around here.

Mr. Speaker: One minute. This is not a debate.

Mr. Breithaupt: There is a web of regulatory agencies that should be protecting us in this province. Properly employed, they should be able to deal with these kinds of problems. The registrar under the act, the superintendent of financial institutions, of course, can require quarterly filings. There is a duty to review assets and to disallow overvalued assets. We also have the Ontario Securities Commission with its disclosure requirements that are applicable to Crown Trust and Seaway Trust, and the ability to call hearings and to investigate.

We have information available to this government not only under the Canada Deposit Insurance Corp. but also under the Mortgage Insurance Corp. of Canada with respect to its filings and its requirements, a variety of information that should enable us, through the ministry's overview, to decide whether companies are acting properly and appropriately.

Finally, we also have had the occasions of Seaway Trust going for its capital increase. So we have had a variety of these themes. I believe they are worthy of discussion, and I hope this urgent public importance will be seen by the House so that we may have a debate.

Hon. Mr. Elgie: Mr. Speaker, my remarks will be very brief. First, I hoped the long statement given today with respect to the state of affairs, as we know them to date, would have indicated to honourable members the ongoing concern and the serious way in which the government looks at the issue before it. Certainly no one can say—and I suspect none of the members opposite could say—that the government has not acted promptly and expeditiously in a way that has to be seen to be very appropriate to the problems that presented themselves to it.

I also believed the members opposite would have appreciated that there was an ongoing special examination by Mr. Morrison, with ongoing investigations now being carried out by the registrar and others while they are in possession of the assets, and that they would be able to provide information that would make this debate even more meaningful.

Having said that, and understanding that the opposition parties view this as a matter that has to be discussed today for their own reasons, whatever they may be, and with this government understanding the seriousness and the import of this issue to the public, certainly we will not object to the debate proceeding. But I want it very clearly understood, to reinforce what the Premier said, that this government and the public of this province have the greatest

respect for the trust and loan industry in this province in general as to its stability. To cast broad nets and aspersions indicating otherwise shows a degree of irresponsibility that warrants careful consideration before anyone makes those statements.

Mr. Speaker, this government will not object to the debate proceeding.

Mr. Roy: We have concerns about the government's responsibility.

Hon. Mr. Elgie: It is Monday. What is the member for Ottawa East doing here?

Mr. Speaker: Order.

Mr. Roy: That is an important issue. That is why we are here. Some of us came back from down south.

Mr. Speaker: Before I make a ruling on this matter, I would like the indulgence of the members to make some observations.

I point out that a notice of motion under standing order 34(a) should, according to the rules and precedents, pertain to a specific event of recent occurrence which is of an emergency nature, requiring immediate attention and not readily debatable under some other procedure. I conclude that the specific event contemplated is the takeover by the government of certain trust companies, and on that basis I am going to allow the question to go to the House as to whether the debate should proceed.

I point out at this time, however, that the additional subjects, such as the various references, are out of order in the notice and will have the effect—and this is the important part—of precluding debate on those subjects on another occasion under this standing order.

I find the motion in order. Quite obviously, everybody is in agreement that the debate should proceed; so the debate shall indeed proceed. I am told we have to put the question anyway. The question before the House then is, shall the debate proceed?

Motion agreed to.

4 p.m.

TAKEOVER OF TRUST COMPANIES

Mr. Renwick: Mr. Speaker, I find it difficult to deal with the Minister of Consumer and Commercial Relations (Mr. Elgie) when he is under the gun like this because he is so defensive about his comments in relation to these matters. We share with him and with the Premier (Mr. Davis) the concern about the respect that is due to the trust operations in Ontario.

Indeed, Ontario and trust companies are in a very real sense synonymous. It is important for us to be able to say to the government that when one examines the statement made today—and our emergency resolution was drafted in anticipation that the minister would be forced by circumstances to make a statement to the House today—we were very concerned to make certain of a number of questions.

The questions are myriad and I do not have any skill or ability to outline all of those questions before the House, but there are two or three areas that have to be dealt with and have to be answered by the minister, and with which, with great respect, he has not dealt in his statement to the House. I have not memorized his statement; I have only listened to him read it.

I have a copy of it and I do not intend to address all of the matters in it. First of all, in no particular order, I say to the minister, the Premier and the government here today that the start of this, the transaction which led to all of these problems, still relates to the real estate and the apartment buildings in Ontario. That is the fixed point. Nobody can take them away. What I am suggesting, and I know the Premier and the minister will say that they know very little about the law, and I know very little about the law, particularly the law of mortgages, but in very simplistic terms—

Hon. Mr. Davis: I do not believe that.

Mr. Renwick: Believe it. If the Premier knew how little I know about mortgages he would be surprised. It is about the same as he knows about them, I would think.

Hon. Mr. Davis: I was hoping you knew more.

Mr. Renwick: No, but we can talk in very simple terms. The registrar of loan and trust corporations has possession of documents which reflect what I am going to call third mortgages on real estate in Ontario on which apartments are built and on which there are between 10,000 and 11,000 units. Those apartments have tenants. Those tenants are paying rent. Who is the rent being paid to? That is not a rhetorical question, because what I am saying to the Premier is that the ranking on those properties is the first mortgagees, the second mortgagees, the third mortgagees and whoever it may be that at this point in time holds the equity of redemption. The tenants are paying their rent and as I understand it they are not paying their rent to this government or to any of the trust companies.

If this province is interested in the security of those mortgages, for whatever they are worth,

and the validity and subsisting nature of those mortgages, for whatever they are worth, and if it is interested in the tenants of the province, it will now, as it has done with the assets of the three trust corporations who hold the mortgages, and if necessary by legislation, take possession of and manage and receive the income from the apartment buildings which are at the root of this problem.

It will have certain beneficial effects. It will assure the tenants that the management and operation of their buildings is being carried out properly. At least, I think it would. I think it would assure that the rents were coming to the third mortgagee, which is to the trust companies which hold whatever there is on the value of those properties, because if the third mortgagee's interest is of no value then it is fair to say that the equity of redemption is of no value.

Whatever the procedures are, my first point and a very simple one is that the government should take possession, now, of the land, buildings and apartments and provide for an orderly method to assure the tenants of security. I emphasize again taking possession of those buildings, because the real estate is here and the apartments are here. That is my first point.

My second point is also a very simple one. The member for York North (Mr. Hodgson) chaired a select committee related to loan and trust corporations some years ago. It is appalling to me to find that, at this time, the Minister of Consumer and Commercial Relations ends his statement with the kind of language which was of concern to us in 1974 and 1975, with respect to the adequacy of the staff, with respect to the skills and abilities of the regulatory authority vested in the government and with respect to this long, drawn-out process which is going to take place before there is an adequate Loan and Trust Corporations Act in force.

The minister did not disclose today what steps, if any, had been taken by the registrar of loan and trust corporations prior to the ministry's appointment of Mr. Morrison, who is to report to him as the responsible minister. Whatever we may have to wait for with respect to Mr. Morrison's report or any of the other reports that we are going to get at some point, this assembly is entitled to know whether the registrar or the minister discharged the responsibilities which were imposed on them under the Loan and Trust Corporations Act. I say that particularly with respect to Greymac and Seaway.

There is an interesting dichotomy in this statement which my friend the member for

Welland-Thorold (Mr. Swart) picked up on. In some way, the government is making a distinction between Crown Trust and Greymac and between Seaway and Greymac. The distinction appears to me to be very clear.

Woods Gordon, referred to in the minister's statement to the House today, talked about September 1, 1982, as being the date on which the problem started to appear in Crown Trust with respect to its practices and the procedures it was following. But with respect to Greymac and Seaway, there is no such statement as to the time at which the trouble started to take place.

I am going to level, in as easy and simple a way as I can. Until I am satisfied otherwise, I am going to assume that there was serious default by the registrar of loan and trust corporations with respect to the investigations of Greymac and Seaway. I am talking here about questions relating perhaps to concealment and fraud, to adopt the phrase used by my leader. I want to know and I think the public of Ontario wants to have some sense about the rumours which have been floating about with respect to the sources of money that has been finding its way into the trust business.

I note that Meyer Lansky died in Florida over the weekend and I want to know whether the skills and knowhow which he brought to the laundering business have found their way into Ontario and whether perhaps some laundering has been done which ultimately will lead to fraud and concealment.

Next, in addition to the takeover of the three trust companies, I want to know, very clearly, what other actions the minister has taken with respect to any other trust companies as a result of the legislation which was passed in this assembly on December 21.

We have been concentrating upon the three trust companies. We know, by report, that a transfer of shares of another trust company was stopped. I want to know what, if any, further steps were taken by the minister, in the light of the authority which we willingly gave because of the gravity of the situation in which the government had either found itself or placed itself on December 21.

One could read with interest the concluding words of Mr. Justice Hughes at the time when he completed his royal commission on Atlantic Acceptance, because we are repeating here today in Ontario the kind of situation which he indicated could be adequately dealt with by proper public regulation properly enforced.

Those are the matters which lead us, as an

emergent matter, to require this debate today because the minister has failed to answer the substantial questions of which he already has full and complete knowledge.

4:10 p.m.

Mr. Breithaupt: Mr. Speaker, in my opening comments before the Speaker allowed this debate, I did refer to the web of regulatory opportunities which at present exists within Ontario and which, in my view, should have caught some of these transactions before they had blossomed into the problems which we have before us today.

The superintendent of financial institutions—that is to say, the registrar under this act—has the quarterly filings required and a duty to review assets and to disallow overvalued assets. Second, the Ontario Securities Commission has certain disclosure requirements, applicable particularly to Crown Trust and to Seaway Trust, and the ability to call hearings and to investigate.

I referred to the Canada Deposit Insurance Corp. and the Mortgage Insurance Corp. of Canada arrangements and then finally to the matter of the increased capitalization for Seaway Trust, because if the capital is improved within a trust company it then allows, on a variety of multiple opportunities, up to 20 times borrowing power, based upon the capital involvement in the company.

These are the kinds of areas where the persons who are responsible to investigate and to have reports made to them are able to make value judgements as to the activities and actions of a variety of trust companies.

This matter first came to my view with rather a jolt last Sunday morning when, having returned from church, I received a call somewhat after 11 o'clock from the treasurer of the city of Kitchener, and Mr. Eby reported to me that \$1 million belonging to the city of Kitchener was involved in Crown Trust. This was a payment of money put in on December 24 which was going to be due on January 10. Would the money be available? Are the funds going to be paid out the next day?

I could only tell him that I would contact the office of Mr. Murray Thompson first thing next morning and try to find out everything I could. I did that. I got an immediate reply. The relationship there is not at all in question. I was able to tell the treasurer of the city of Kitchener that he could take \$20,000 out but the best he could do with the rest was to roll it over on a day-by-day or perhaps a week-by-week basis until the air had cleared.

Then we heard the city of Brantford had some \$4 million involved in like consequence. The regional municipality of Waterloo has some funds, and there are others; be that as it may, moneys which are and have been acquired through tax collections and otherwise, and not immediately needed for the payment of salaries and other municipal obligations. That is just fine; that is a prudent way of putting out funds, benefiting from interest and as a result benefiting the citizens of the community.

But what about the circumstances where a person might not receive a variety of cheques payable on interest-bearing accounts or on guaranteed investment certificates? The city of Kitchener, I believe, can afford to wait that couple of weeks to see how things may work out. I certainly hope that the funds will ultimately be there to deal with that obligation, but at this point all I could tell the treasurer was that I did not know. I did not know whether the city would get its funds on January 10 if at all. It is not a very cheery message to have to bring to someone.

These matters have been raised in this House since October 26, when my leader first urged the minister to investigate the Cadillac Fairview sale by way of a select committee or a committee of the House. That request to submit the matter to a committee was reiterated on almost a daily basis throughout those first few weeks in November and indeed until it was learned, almost too late, that the sale had closed about 11 days early, November 5 and 8, 1982.

The focus of concern at that time was the extent of rent increases that would be permitted under the existing guidelines. The figures released regarding the sale price at first seemed to justify, at that point, expected rent increases of 30 to 50 per cent rent. Going back to the themes I raised, we not only had to protect the depositors but we also had to consider protection for tenants who might otherwise be called upon to cover these skyrocketing obligations.

Our policy would have restricted rent increases to five per cent during the restraint period imposed under Bill 179. Those changes in the rent review legislation were ultimately approximately accomplished.

The sale by Cadillac Fairview to Greymac, the involvement of Kilderkin, the machinations of Mr. Player and Mr. Rosenberg, all these other circumstances have been burdens that have been dumped upon us in great bundles over the last several months.

We talked about the circumstance in London and the armoury's location. The matter of the

head office building of Greymac was raised. The curious financing of City Park Apartments in Toronto was brought before the House.

A variety of these questionable transactions where overvaluation of assets and greater mortgage financing might well pyramid up the expected value of shareholders' equity, which shares could then be sold, was going to be a problem that might see another kind of "Ponzi" scheme that would ultimately result in the bubble bursting.

I hope the minister is familiar with section 193 of his act. I would like to read it. "The registrar may request any corporation to dispose of and realize any of its investments that are not authorized by this act, and it shall within 60 days after receiving the request dispose of and realize such investments, and if the amount realized therefrom falls below the amount paid by it for such investments, its directors are jointly and severally liable for the payment to it of the amount of the deficiency, but if any director present when any such investment is authorized, forthwith, or if any director then absent, within 24 hours after he becomes aware of such investment, and is able to do so, enters his written protest against such investment, and within eight days thereafter notifies the registrar in writing of his protest, the director may thereby, but not otherwise, exonerate himself from liability."

I hope the minister will look at section 193 and report to this House as to how many documents have been filed under that section, as to how many directors, if, as and when they have found out about some of these soft loans, have fulfilled their obligation to report and thereby relieve themselves of personal liability.

It will be interesting. A public inquiry would, of course, find that out. I presume the variety of inquiries the minister is now seeking is going to find out that particular thing as well. There may well be liabilities here even though they may not be able to be paid if the valuations of these varieties of securities seem to collapse and dissolve as in the morning dew.

The minister has made a number of statements over time. He has made a number of comments as to the obligations he believes it is his duty to provide. I am looking at October 26 when he said, "I think our obligation. . . is to make sure there is no collusive relationship between people selling properties." Then he said, "I personally have concerns about reports of rapid turnover of properties, and I will continue to look at those issues to see if there is any appropriate approach that I might recommend

to the government if it is indeed a real problem that is facing people."

It would appear that an appropriate approach was certainly reached by the minister. As a result, we have the control of three trust companies in this province passing effectively under the obligation of the Minister of Consumer and Commercial Relations.

I dare say it has not been a lot of fun these last few weeks to be the minister involved with this kind of problem, knowing full well that these other problems commented upon in the past, the other trust companies, British Mortgage, Astra/Re-Mor and all these other sorts of things, were obviously going to be raised again.

4:20 p.m.

My colleague the member for Riverdale has referred to the select committee report and the comments made in 1974 and 1975. Yet even the acceptance of those obligations and those recommendations at that time might well have led us along a different path in this matter, which is certainly a matter of urgent public importance. We must ensure that what we do here, not only in this debate but in how we treat the revelations as they appear, will attempt to confirm the faith I think many people of this province have in the financial institutions, faith that has taken a long time to build up and can be readily knocked down in a 24-hour period. The minister has a difficult task. Unless he comes to grips with it, then all the comments that have been made in the past as to faith in institutions are going to be severely shaken.

The Deputy Speaker: I thank the member for abiding by his time, and also the previous member. The member for Carleton.

Mr. Mitchell: Mr. Speaker, I am going to try to ignore the comments from the other side, because frankly I thought my minister's comments this afternoon were sufficient in themselves to prove why a public debate at this time is somewhat unnecessary.

Interjections.

Mr. Mitchell: The work of the registrar of loan and trust corporations, Mr. Murray Thompson, is still—

Interjections.

Mr. Mitchell: Members opposite want to do all the work on the floor of this House rather than where it should properly be done.

The work of the registrar of loan and trust corporations, Mr. Murray Thompson, is still under way and further details of his findings will

be brought before the Legislature at the earliest possible moment.

In my view, an emergency debate now could not truly be considered free and open. Indeed, the opposition critics may feel free to say whatever they please, but how can the Minister of Consumer and Commercial Relations respond frankly without jeopardizing the investigation and any actions that may come out of it? To quote one newspaper columnist: "No responsible person can really expect Dr. Elgie to comment on substantive matters while the investigation is still going on. Anything he says now could only prejudice the investigation."

I cannot help but note that the leaders of the two opposition parties have not missed an opportunity to make political hay out of this unfortunate situation, knowing full well that while an investigation is under way little or nothing can be said by this government. Knowing the opposition as I do, I know the logic of what I have said so far will likely fall on deaf ears. These nabobs of negativism would have this House believe that they and they alone are motivated by concern for the interests of the public. The fact of the matter is simply this: if they got what they wanted now, full disclosure of everything the government has so far discovered in its investigation of the three trust companies, the public interest could be the first to fall victim.

Before dismissing the motion of the member for York South (Mr. Rae) out of hand, however, I will touch on some of the specific points he makes. He speaks of the real concerns of thousands of Ontarians who are tenants in the buildings formerly owned by Cadillac Fairview. I have no intention of speaking for the next hour in review of the actions taken by this government to deal with those same concerns. Has the member forgotten about the five per cent limit placed on rental increases attributable to financing costs incurred during the purchase of a rental structure? Has he forgotten about the commission of inquiry led by Mr. Stuart Thom into the whole issue of rent review legislation?

It seems he may have also forgotten the announcement by the new owners of Cadillac Fairview buildings that they would seek an average increase of 13 per cent over the next year, not the 50 per cent rental hike predicted by some of the people over there. I would also remind him that the Residential Tenancy Commission has postponed all hearings on applications for rental increases in the former Cadillac Fairview buildings.

If members have not seen it, there was a press release on Friday, I believe, which reads: "Rent review decisions in cases involving any of the five trust and mortgage companies over which the federal and Ontario governments took control on January 7 are being held in abeyance pending the completion of the government review of the companies' affairs. This was announced by the Residential Tenancy Commission."

"Phil Williams chief tenancy commissioner said, 'The review of proposed rent increases in buildings where recent mortgage financing has been provided by Crown Trust, Greymac Trust Co., Seaway Trust Co., Greymac Mortgage Corp. or Seaway Mortgage Corp. will be delayed only where the reasonableness of the financing or of the sale price of the property to which the financing relates is one of the issues in the case.'"

There is more, but I just draw attention to that.

The member for York South goes on to speak of the concerns of the depositors and customers of Seaway, Crown and Greymac trust companies. If the Morrison inquiry into the financing of the Cadillac Fairview deal by these three trust companies and the government's current actions in seizing the companies do not show concern for the depositors and customers, I cannot imagine what would.

I will admit that until the results of the investigations are made public there are those who will not rest easy. When depositors' personal finances are at stake, we can all appreciate their concerns. But all we can say right now to those people is to ask them to bear with us. We acted to protect their interests, not to endanger them.

The member's motion speaks of the inadequacy of the Loan and Trust Corporations Act. He is aware of the ongoing study of the entire act and the white paper that the ministry will publish this year. In the meantime, we have proved we are willing to act quickly in changing the existing legislation on short notice and I would remind him again of his co-operation in giving speedy approval on December 21 to the amendments to the act which permitted us to move in the public interest as was done on January 7.

His motion speaks of the concentration of ownership of financial institutions and what he calls the failure of this government to regulate financial institutions. Regulation is what the ongoing study and the white paper are all about.

I might add that our actions over the past weeks show how far this government is prepared to go to regulate and control financial institutions. There has been no refusal to act. If anything, it would appear that the opposition parties have been more reluctant.

The motion asks about the ramifications for Ontario tenants. The Thom commission is studying that very question in its wide-ranging inquiry into how rent review legislation should be shaped in this province to protect tenants and give landlords and tenants a fair deal through the 1980s.

The member concludes his motion with a call for a public inquiry. It is apparent that any such move now could only jeopardize the ongoing investigation. This government has nothing to hide. In fact, it can look with pride on the speed with which it reacted to a very confusing situation. The member would be better advised to hold off on his demands for a full public inquiry until all of the facts are in.

I think I have dealt fairly with the motion. To quote a certain Toronto columnist, "Everybody knows emergency debates lead nowhere, solve nothing and if anything will serve only to make customers of the besieged trust companies even more uneasy."

Mr. Swart: Mr. Speaker, I am pleased to rise to speak in this debate because I feel rather strongly about what is taking place, and more particularly about what has taken place and what may take place with regard to losses by depositors in Seaway Trust and perhaps the other trust companies under investigation.

I feel more strongly about this matter than some other members of this House, particularly on the Conservative side, may feel. Seaway Trust originated in the Niagara Peninsula and I suppose we have a higher percentage of investors in Seaway Trust living in the Niagara Peninsula than in any other part of this province.

If the depositors do not get the full return on their deposits—and this has been indicated, or at least a doubt has been left today by the Minister of Consumer and Commercial Relations—then a lot of people in the Niagara Peninsula are going to be damaged.

The incidents that have taken place and the situation that exists today confirm what we on this side of the House had suspected for some time and what the minister took pains to deny in the first month or two of the Cadillac Fairview flips: that it was a conscious scam on the part of the people involved in the flips to get vastly more money out of the tenants in those Cadillac

Fairview apartments. What has taken place today leaves no doubt that the sale was a deliberate attempt to do just that.

4:30 p.m.

I would point out the comments made by Leonard Rosenberg—I will quote from his statement, the third paragraph of page 2:

"Ever since the introduction of rent control, the only way an owner could escape from the inflationary cost spiral was to sell. A new owner could obtain the rental increases denied to the former owner scaled to his financing costs."

To reword that a little bit, what he really means is: Ever since the introduction of rent controls the only way an owner can get more than the intent of the law is to sell. A new owner could obtain the rental increases denied to the former owner scaled to his financial costs, whatever they may be. That is exactly what he was saying.

The minister himself admits that scam, although he denied it in the House back in November when he spoke of these properties being mortgaged for \$375 million. He stated: "It was concluded that there were not sufficient grounds to justify a value of the Cadillac Fairview properties in excess of \$300 million." Yet they changed hands for \$500 million. The intent of those involved in that flip was that the tenants should pay the pass-through for the total of the \$500 million involved, even though those properties, according to the minister's own admission in this statement, were only valued at some \$300 million.

By a scam, those tenants were to pay for a \$200-million value that did not exist. The documents we have had submitted to us today by the minister and by Leonard Rosenberg leave no question about that. Nevertheless, apparently there has been no attempt, even after the seizing of the property, to find out who are the beneficial owners of that property. The minister has not made that announcement here today.

This is almost inconceivable coming from a minister who last fall stated there was no need to know, there was no reason to suspect, there were no Arab owners. In fact he stated in the House there were Arab owners. Today, after all that has taken place and he has had to step in and seize ownership of those companies, he does not tell the House who the owners are.

Now that those companies have been taken over I simply cannot believe the minister could not have found out, if he had wanted to, who those owners were. I suggest it is simply that he does not want to find that out. In fact I suspect

there may be very little money involving Arab owners. Other people have said they thought that was the situation right from the beginning and more and more it is beginning to appear that is the case.

It is important to know who is involved in this, at least to find out how immoral this deal has been. If it was Arabs who came here and bought those properties at \$500 million there may be some excuse for them. They might have had a surplus of funds they wanted to invest some place. They may not have known the value of properties here, although I doubt that very much. At least there might have been some excuse. But if this has been financed almost entirely by the principals involved in Greymac, Cadillac Fairview and Seaway Trust then I suggest it is much more immoral. I think the minister would want to find that out.

The member for Carleton, who just spoke, said in defending his government there was no refusal on the part of the government to act. Of course there was no refusal. They acted, but I think we all realize they acted too late on this matter. We are faced with a very serious problem now. It is an almost insoluble problem because a transaction has taken place. We have \$200 million of fictitious value. Where is that money going to come from?

Is that money going to come from the depositors in those trust companies? Are they going to lose it? Is the government going to proceed over a period of time to take that money from the tenants by allowing a five per cent increase per year and perhaps some more flips? Is that going to be taken from the tenants?

Is the government going to find some or all of that \$200 million in the public treasury? I do not know how much of it is lost but certainly, from the minister's statement today, a lot of it is not there and we cannot account for it. The \$200 million is going to have to come from some place. Can one turn the clock back?

It is time we had an impartial investigation to find out the negligence of the government, if nothing more. In recent times it has permitted people to be victimized in Co-operative Health Services, in Argosy, in Re-Mor and in Astra Trust. Such an impartial investigation should not be done by the minister's people but should be out in the open so the government can be held accountable for what is taking place here.

The minister has now indicated he is going to—

The Acting Speaker (Mr. Cousens): The

honourable member has exhausted his 10-minutes of allocated time.

Mr. Swart: Let me finish my sentence, Mr. Speaker, if you will.

The minister has indicated he is now going to reimburse the Re-Mor victims. That would never have taken place if we had not had a minority government and if it had not been proved incompetent, inefficient and extremely negligent. I suggest we need the same kind of public investigation so that, if it is proved there has been the same degree of incompetence, those victims will be reimbursed as well.

Mr. Spensieri: Mr. Speaker, I appreciate the opportunity to make some contribution to this emergency debate. The danger we face, one we perceive clearly on this side of the House, is that we are now engaged in a plethora of commissions and review bodies — the Thom commission, the Morrison commission, the blue chip commission and the agents appointed by the registrar. The real danger in all of this is that through this diffused and all-pervasive combination of review processes, the true aspects are bound to get lost in the shuffle. The true aspects, as we see them, are the aggressive investment schemes and policies which have been engaged in by these companies and which have resulted in their stunning growth.

4:40 p.m.

There are really three very basic procedures. I have seen all three of them at work in my own riding of Yorkview. The first is the Cadillac Fairview one where they deliberately overvalue a property. They then conduct what used to be called in the trade a few years back the "Oklahoma routine." They allow the third mortgagee to purchase from a man of straw and then go back into possession as a mortgagee in possession. In that situation they do not have to repair the plumbing any more; they can get very lax in providing those services tenants have come to expect in a high-class type of dwelling such as the University City complex.

If we engage in a true observation of these facts, if we engage in a true royal commission, if we engage in a true debate before the justice committee, we will see that what has been perpetrated here is no more than a high-class, high-flung Oklahoma scheme. Under it the government, because it has taken over the assets of Greymac and of various other lenders, will now become the one holding the bag, the one who will have to go in. I can just see the glimmering picture of Ontario, as third mort-

gagee in possession, sending one of its agents out to do the plumbing or cut the grass. That is what we are facing.

The second favourite method which has been used by these aggressive lenders is the old system of saying that as long as they have the ability to meet their payments on the mortgage they are fine.

In my own riding of Yorkview, there is a little office complex, not a residential complex, which only had enough cash flow to produce approximately \$1.5 million of mortgage borrowing. Through an ingenious and collusive scheme with a man-of-straw purchaser, once again some funds were deposited with Greymac to catch up on the shortfall in the cash flow. More than the qualifiable mortgage was secured through that mechanism and once again there was a situation where a term deposit held by the lender was being used to supplement the cash flow from the building.

Now we have Ontario going in and saying these term deposits are going to be relatively secure, as the minister indicated a while back. I submit there is a great danger that by returning some term deposits to the alleged bona fide investors, the province will have been an unwilling participant in this fake income flow scheme designed to get mortgages. I caution the minister not only to ensure the deposits are returned but to look very carefully at whom they are being returned to before he does.

The third aspect which should form part of this emergency debate is the relationship between the lending institutions and the construction trade. There is no easier way to build up assets, these tremendous reserves which can form the basis for future lending and the so-called lending base, than to engage in advancing frivolously and imprudently when construction projects are under way.

In my own riding of Yorkview we have seen this neat little gimmick at work as well. The mortgage company, the lender, advances substantially in excess of what the project may be worth at any one point. It will then show on its books X number of dollars having been advanced. Then, of course, the lien holders, or the people who have carried out the construction, are the ones who have really contributed to the wealth, but because of quirks in our present Mechanics' Lien Act—which we hope will be remedied soon—those people who have contributed the wealth will be wiped out when the unsuspecting owner, who is of course a party to the whole sham, calls on the mortgage lender to

foreclose everyone concerned, including the lien participants.

That is how these assets have been built up. Those are the concerns we have. We feel this plethora of review bodies which have been introduced by the ministry will fail to look at the real concerns.

The last point I wish to make is that for psychological and for very practical reasons the tenants in my riding, primarily in the University City complex, feel they now have a right to know who the owners are. I think there is no quicker way than for this province, now that it has become, in effect, the third mortgagee, to ask that the rents be delivered to the province. Then we will see who picks up the cheques and will know who the owners really are.

It seems to me if we are serious about an investigation of this very dubious and far-reaching set of circumstances, we certainly ought to encourage the government to accept my leader's request for a full royal commission and also for an immediate referral of all these matters to the justice committee. Then not only the propriety of the conduct of the lenders and the borrowers in this case could be reviewed but also the propriety and the competence of the ministry in monitoring its responsibilities and duties under the act.

Hon. Mr. Elgie: Mr. Speaker, I am pleased to have an opportunity to take part in this debate and to indicate to the House and to the people of Ontario that this government is acting in a responsible manner to deal with a series of events that go well beyond any series of quick answers that one might propose.

Much work remains to be done, but I am confident that the government will soon be able to determine the complete set of actions that must be taken to protect the public interest and the interests of many individuals who are affected by these matters.

As is often the case in matters of this kind, the opposition parties have taken delight in taking every side of the issue. Members have claimed one moment that we have not acted swiftly enough, then say the next moment we have taken drastic action and used a heavy hand, thus calling into question the very same type of action they were calling on the government to take.

I think it would be helpful if we took a moment to review the history of this matter leading up to this debate this afternoon. During the first week of November there occurred a series of transactions that resulted in the sale

and subsequent resale of a large number of apartment units formerly owned by Cadillac Fairview. At the time these transactions took place the government recognized the need to protect those tenants who as the ultimate result of this very complicated deal might be forced to bear an unacceptable burden.

Steps were taken to protect those tenants; and they were taken, I might add, quickly yet carefully. While I can understand that opposition parties, along with others, feel the government may not have gone far enough I think we did what was responsible in the circumstances. We took into account the legitimate concerns of tenants and at the same time recognized the need to be sensitive and balanced in our approach with respect to the long-term interests of the people of this province and their housing needs.

In short, the government acted within a week of the Cadillac Fairview transactions to limit the extent to which financing charges arising out of a sale or resale of apartment buildings could be passed on to tenants. In addition, the Residential Tenancy Commission acted swiftly to change its guidelines, altering the pass-through of financing costs.

Further, as this House knows, the Minister of Municipal Affairs and Housing (Mr. Bennett) has undertaken a wide-ranging review of housing programs while the government has initiated a complete review of the system by which rents are regulated in this province. Finally, the government appointed within one week of that series of transactions Mr. James Morrison, who has been asked to examine the operations of several trust companies involved in providing mortgages to those Cadillac Fairview buildings.

I can only say in response to the various demands for action from the leaders of the opposition parties it is far more difficult to understand the need for balance and sensitivity on all accounts when you do not have the responsibility for all the effects of what you say and what you do. This is particularly true in the case of the Leader of the Opposition (Mr. Peterson), who, as the *Globe and Mail* put it recently, has more reverse plays than the Toronto Argonauts when it comes to this and many other issues. That same party, which had earlier advocated the phasing out of rent controls as vacancy rates increased, now says the government has not done enough.

4:50 p.m.

Turning to the aspects of this matter that relate to financial institutions. I should point out

that it is perhaps difficult for the Leader of the Opposition to understand, consumed as he is by the desire to seek political opportunity, that an investigation into the affairs of these institutions has been under way since November 17. It seemed prudent to me, and to my colleague, to allow that investigation to proceed in a thorough yet expeditious manner and in a legitimate way.

The government has been extremely mindful that the powers contained in the amendments passed by this House before Christmas are large and important powers requiring extreme care in their exercise. Legitimacy in the exercise of government power in the public interest is fundamental, in the view of this government. The action taken on January 7 was only done after careful deliberation and a thorough assessment of all the facts available at that time.

I suppose it is this aspect of the events of the past few weeks that trouble me most. An investigation into the affairs of certain financial institutions was in place on November 17. I was receiving regular, albeit informal, reports of the progress of that investigation from that time forward. Then in December we introduced legislation giving certain broad powers to the government. The government acted on those responsibly, I believe, on January 7.

I have, to the extent I am able, tried to bring this House and the public up to date on the progress of those inquiries earlier this afternoon. However, that was only after a period of 10 days during which the Leader of the Opposition in particular, but followed closely by the leader of the third party, criticized me daily as a result of a purported failure to appear on a regular basis to offer a blow-by-blow account of the investigation and how it was proceeding.

I can only suggest it would have been irresponsible in the extreme for me to have made a daily series of revelations based on the latest and necessarily incomplete reports provided to me by the investigators. It would have been irresponsible to have made any statement whatsoever which dealt with the facts at issue in the absence of even an interim report, let alone a final report. It could only have led to confusion on the part of the public at large, and depositors in particular, which is precisely what we sought to avoid and which we largely did avoid.

Indeed, I think the reaction of the public to the events of the past two weeks has been one of understanding. I think it proved, to some extent, the wisdom of the government's decision to proceed in the manner it did rather than issuing

public statements and coming up with instant reactions of the kind demanded by the opposition parties.

I would like to turn for a few moments, if I may, to the question of the broader range of issues arising out of the regulation of financial institutions by this government. I have indicated earlier this afternoon that there is clearly a need to address several important issues in the immediate short term. These include such things as the ownership of trust companies, the definition of transactions that are inappropriate and not at arm's length and the impact of high interest rates and real estate values on the operation of trust companies.

But I think it is important to make one further point which I touched upon in my statement. It relates to what may well be a significantly different role that government may have to play in the regulation of these institutions in the future. It has always been a privilege to operate a trust company in this province, or in most other places for that matter. With that privilege goes a responsibility on the part of those authorized to carry on the business. A large measure of responsibility for carrying on a business properly, ensuring compliance with the law, and indeed serving the public interest in the broader sense, must be borne, to a degree, by those who have the privilege of operating a trust company or other similar institution and the professionals upon whom they rely.

There are undoubtedly improvements which can be made, some of which we already made in December, to the manner in which the legislation is administered. This is a situation like so many others where there must be a great deal of responsibility placed on those who have been given the privilege of operating those institutions.

Neither this government nor any other government or agency could ever put itself in a position, whether through legislation or through a massive team of investigators, as this situation has shown us, where every single transaction, loan, mortgage or otherwise could be scrutinized by government in order to determine precisely whether or not there had been compliance. I think it would be difficult, if not impossible, for any trust company or any bank to operate within such a framework if it were even remotely practical for the government to put it in place.

As I have said, the current legislation and administrative procedures are designed, in large part, to deal with honest and responsible business administrators. We are not trying to struc-

ture their affairs in such a way as to make it difficult to detect irregular or illegal activities. In the vast majority of cases these people have taken their fiduciary responsibilities seriously, and have acted both within the law and in a manner that serves the public interest and respects the public trust they have.

That sense of public sense and ultimate responsibility will have to play a large role in the future in terms of the regulation of the affairs of financial institutions. I recognize we must proceed immediately to review completely our administration and procedures in the area of financial institutions. As I said, a preliminary internal but independent review has already been commenced.

I am hopeful our efforts, which are aimed at getting all the facts in this matter while at the same time identifying the problems that exist and moving to solve them, will be successful. I ask for the understanding of all members of this House as we pursue this difficult process in a manner designed to be fair yet diligent, sensitive yet firm and which, above all, reflects our ongoing concern for the public interest.

The Acting Speaker: The member for Bellwoods; no, the member for York South.

Mr. Bradley: You can't be browbeaten that way.

Interjections.

Mr. Rae: I am sorry to disappoint the members.

Interjections.

Mr. Rae: That is right. It is terrible the way we take over.

I think the minister should understand that we, in this party, do not regard this problem and this issue as in any way a personal issue with respect to him or anybody else. Attempts to turn the issue in one way or another into a personal vendetta really get away from the fundamental problem.

The basic problem we have been raising for some time has to do with the problem of concentration of ownership, inadequate disclosure requirements, inadequate regulations and a government so determined to protect the privacy of corporate life and the privacy of corporation decisions that it has proved unable to protect the public interest when that interest has to be protected. That is the issue.

The issue is not whether somebody is a political opportunist or whether somebody can call somebody else a name. That is really not the issue. It does not give much comfort to the tenants involved, the depositors involved or the

savers involved for accusations to be going across the floor of the House with respect to the personal attitude, conduct or motives of one individual or another.

The real issues are a little bit deeper than that. I do not think the minister should take the criticisms we are making as personally as he does. He should see them as an attempt to deal with a problem which he, in his own statement, indicates is a very real problem; that is the question of regulation.

What do we still not know? We do not know who the owners of the Cadillac Fairview buildings really are. We do not know the identity of the landlords. The Morrison inquiry has had one heck of a long time to make an inquiry into that question and we have had no indication from the minister or from the inquiry whether it is even attempting to answer that question.

Contrary to what the Premier said at one moment in this House in answer to a question from me, we on this side of the House and in this party happen to believe that ownership matters, that the identity of owners matters, and that tenants have the right to know who the heck their landlord is.

We do not know something as fundamental as whether this transaction still stands. We are no closer to knowing that today than we were nine weeks ago when the Morrison inquiry was established. I can say to the minister that we are prepared to be very understanding, very tolerant, very sensitive and all those words which he uses from time to time, which I subscribe to as a basis for conduct, but we are not prepared to put up with this undue delay any longer. We think the people of Ontario are entitled to know the identity of the numbered companies and that is an issue which transcends political boundaries. We also happen to think the tenants are entitled to know whether the transaction which has taken place actually stands, really exists and is still in effect.

The disclosure problem is not simply a problem relating to the Cadillac Fairview deals. As the minister will know, one of the reasons for the speedy agreement by this party with respect to the legislation which was passed at the end of December was our concern about the possibility of other smaller companies being bought up by interests which cannot be identified.

We know, for example, according to press reports, that an offer to purchase the Dominion Trust Co. was made by Mr. Vince Lanzino, who is 20 years old. We know no more about that

person and that transaction than we knew the day it was reported in the press.

5 p.m.

Yes, we do have concerns about these kinds of transactions. We have concerns, for example, when in a report in the Financial Post a number of trust companies and their owners are listed and there are many companies for which it simply says that information is not available with respect to who the owners of these companies are. For example, for Counsel Trust Co., Toronto, 1960, the information with respect to ownership is not available. Then there a number of other companies that are owned by properties that are simply numbered companies, where one individual owns 100 per cent of the shares.

The minister says he is concerned about ownership, but the minister cannot just make a vague statement and say he is concerned about ownership. He should tell us what his concerns about ownership are. Is he prepared to move on financial disclosure or not? Is he prepared to move on requiring that trust companies be widely held or not? Is he prepared to establish a 10 per cent limit or is he not? These are legitimate questions.

I may say that by seeking a quick fix with respect to the Crown Trust situation, the minister is only compounding the problem. He is not resolving the problem of ownership or of the concentration of ownership; he is simply guaranteeing that some individual company—we do not know which one, Victoria and Grey or some other company—on the basis of what information we do not know, may make an offer to purchase and it may be accepted by Mr. Rosenberg.

I wonder if having Hal Jackman or some other individual play the role of fairy godmother is really going to solve the problems of the trust company industry. I do not believe it is. We in our party think that what is required at present is fundamental reform to provide for exactly the kind of protection and confidence the minister has talked about, which we think is absolutely essential.

The minister has suggested that by raising these questions publicly, by asking the minister to make statements publicly and by asking him to give some reassurance to the people of this province publicly, we in the opposition are somehow acting irresponsibly. These are always questions of judgement, but I do not think it is quite as simple as that. An opposition does have an obligation to ask questions and to present an alternative point of view, and if the answers do

not add up then I think the opposition is entitled to state that the answers do not add up and do not make any sense.

The Premier stated today in response to a question in the House that the government would not guarantee the deposits in Crown Trust, Greymac Trust or Seaway Trust any more than it would guarantee somebody who was making an investment in the stock market, as if an investment in the stock market is in any sense analogous or similar to an investment in a trust company. That in itself indicates how far removed this government is from the feelings of ordinary people on this issue.

The fundamental issue is whether this government is going to pay the price of its own lack of vigilance. It is inconceivable to me that any beneficiary of an estate or of a guaranteed investment certificate or anybody with a legitimate investment or deposit in one of these three companies should have to pay the cost of the government's own lack of vigilance.

The government has not been vigilant on its own evidence, in the evidence it presented today in the minister's statement. The minister said at the end of his report not only that there was a basic problem with respect to Seaway and Greymac, not only that there was a basic problem in the overvaluation of some of their properties, not only that there was a problem that some of their properties were too closely held or tightly linked to one company, the Kilderkin company, but also that there was a basic problem with the law in Ontario.

I say that if there is a basic problem with the law in Ontario, the responsibility for that situation lies clearly with the government; it does not lie with an innocent depositor or an innocent investor who cannot even find out until he actually makes the deposit or the investment who the directors and shareholders of these companies are.

This is not a recent issue. This is not a problem that has suddenly developed. The government has had warning signs galore, warning signs going back to the mid-1960s with the collapse of Atlantic Acceptance, carrying through with the collapse of York Trust, which the Premier mentioned today, and carrying through with the collapse of a number of other companies—Argosy, the Astra/Re-Mor situation, problems at both the federal and the provincial level.

Both the Liberals and the Conservatives have failed to provide the kind of protection that is necessary for individual depositors and invest-

ors. I think the facts are very clear with respect to federal Liberal regulation as well as to provincial Conservative regulation. The government just cannot claim, when any of us say this is a basic issue which reflects some underlying problems in the trust industry that this is a problem that has suddenly arisen; it cannot get away with saying that, because the minister and the government have had a lot of warnings and there are a great many questions that still remain unanswered.

We did expect more reassurance than the minister has given. The minister has a different point of view. The Premier clearly has a different point of view in his statement today that it is not the government intention to guarantee anything at all. We do not think it is right to force individual investors to take the government to court. We think it is something that should be the result of the government's actions, recognizing there has been a problem, and it has not acted.

I believe we need a public inquiry into the conduct of the minister and the ministry to determine: when the minister knew what, when and how; when the ministry knew what, when and how; when Mr. Macdonald knew what, when and how; what other individuals knew and what their involvement and advice have been? There are a great many questions that remain unanswered and that I believe only can be answered not by the minister conducting an internal inquiry but by a public inquiry.

If, as the minister said, he has never done a bad job, he has always done a good job, he has always been a good guy, he has never been a bad guy; if he is so confident that is true, why does he not let an independent public inquiry decide, rather than pat himself on the back and tell himself what a clever boy he has been these past few months?

There are great many people who have suffered as a result of what has gone on in this interest. The government should be taking more action than it is and its actions should be subjected to the scrutiny of a public inquiry.

Mr. Peterson: Mr. Speaker, I rise to share with you a few thoughts I have. I was going to leave the presentations from our party in far more capable hands, but it seems to me I am obliged to respond to some of the remarks of the minister and the leader of the New Democratic Party. Essentially I agree with most of the things the leader of the New Democratic Party had to say before he got a little sanctimonious in there. I think he presented the case fairly well.

I am happy to have this opportunity to have a public airing, using the limited devices we have in opposition. Believe me, it has been most frustrating over some period of time when we take the whole discussion back to the original property purchase. I may be a little self-serving, but those of us who were a little more forward-looking than the minister and his advisers at the time could see that, on the face of it, there were some very serious problems presented, and not only for the tenants.

Given the nature of the transaction and the information that was being shared with the minister and his obvious embarrassment in this House and in committee as we discussed these things, I would have thought another human being in similar circumstances would have wanted to get to the bottom of the facts and find out everything that was going on. Because we all remember and because we like the minister, we have shared with him some of his embarrassment at having been given half-truths and inadequate information from the various players.

We have a minister with no particular commitment to this portfolio and no particular knowledge about it, and that in itself creates a problem. A number of people with a business sense, with a sense of how the marketplace works, came to me. These were people who generally would be described as Tories and as supporters of that particular philosophy. They came to me and said: "There is something wrong here. It is untoward. We must look into all aspects of this particular deal." On the face of what was transpiring, I am suggesting, prudent people were encouraged to suggest that there should be more information forthcoming.

Originally this started off as a tenants' issue; that issue is still inherent in this whole transaction and will not go away. The bottom line from that side is that we have to make sure the tenants' rights are protected. What we are finding here is that if the owners of those buildings, whoever they are, or the property managers who really have financial responsibility under the head leases are not financially secure, and there is some question about that, then we are going to find the tenants' rights are increasingly in jeopardy. Who is going to fix a leaky faucet? Who is going to pay the heating bill?

It is not illogical to see that, because of the problems that have surrounded the ownership through Kilderkin, which I am told now is unable to bank and is having trouble refinancing a lot of its properties as they come due and

could end up with an insoluble problem on its hands, it might end up back in the lap of the government. I am warning the minister of that now so he can set in motion a contingency program. I have made several predictions along the way, and I suggest that every one of them has been absolutely accurate.

5:10 p.m.

Knowing what we knew with our limited research budget, albeit we have the ablest researchers and investigators in the business today and a caucus that is conscientious and devoted to rooting out the truth, why did the minister not know more of the facts about what was going on? The facts are going to have to come out in an inquiry of some sort, because internal inquiries do not satisfy me, my friends to the left or anyone else who is fair-minded about this situation.

We have seen a shocking lack of confidence in this minister. That really bothers me more than anything. I have said on more than one occasion that there was evidence one or two years ago that this kind of thing was going on. We found it. Why could the minister not find it?

We did not have access to their assets. We did not know what their asset values were. We did not know the list of the mortgages. But on more than 10 occasions we were able to determine a pattern of behaviour that threatened not only the tenants but also the depositors of the companies that were involved in financing some of these transactions.

We were constantly walking a fine line. I will share with members now the difficulty I had as Leader of the Opposition. I knew enough that had we made any misstatements we could have created a panic that I did not want to create. We had to walk very carefully, on the one hand, to preserve faith in financial institutions and to maintain the integrity of that and, on the other hand, to force the government to move.

After a long, painful, thoroughly researched effort, the government finally moved. When the minister called me to the Premier's office in December and asked for our compliance, I had to assume that he knew far more than I did, and he persuaded me that it was in the interests of the people of this province and of the depositors to allow that piece of legislation to go through unscrutinized.

That is contrary to every instinct I have as a politician. But, that being said, when the Premier says there are problems that need to be addressed through emergency legislation with these sweeping powers and the minister in his

presence asks the same thing, then I would have been less than responsible not to agree to that.

There is no question that the leader of the New Democratic Party and I have come under criticism from a number of people for not insisting on a thorough review; but as a question of what is more or less responsible, he in his judgement and I in mine deemed that it would have been less responsible not to comply with that government request.

There are questions now about the adequacy of that legislation, its drafting, the sloppiness and all of that. We did not have a technical discussion that day, with the exception of the member for Riverdale (Mr. Renwick) who pointed out some of the problems therein. We knew we were walking into a serious situation. I made the prediction the next day that there would be a takeover within a month and, of course, that came to pass. I did not have any inside knowledge of that; I was putting two and two together, as I suggest that prudent people were able to do in the circumstances, to understand what was going on.

Very frankly, the minister's response has not been one that I take all that seriously, because it has involved mostly personal attacks on me, the leader of the New Democratic Party and a variety of others. His speech today and the speech he had written for his parliamentary assistant were rehashes of a few quotes out of various newspaper articles suggesting we were irresponsible, have a variety of positions or whatever.

He decided he wanted to attack me and say I was irresponsible. He called me impertinent in this House for bringing the issue up. There was another occasion when he wanted to indulge in fisticuffs. That is okay; I do not mind that. What it showed to my colleagues and me was that here we have a man in such pressure, so over his head, so overwhelmed by the events that have taken control of the situation that he did not know how to adequately respond.

For all those reasons, I was sympathetic to him personally, even though it is unfortunate under the parliamentary system—in his case at least—that the minister is responsible. I am not saying it is exclusively his responsibility as the minister; these things should have been monitored beforehand. The previous minister said at one point—and I do not have the exact quote—that everything was fine after Astra/Re-Mor. We have had 10 or 15 huge financial collapses in this province in the past decade. He said it was all fine then.

Is it our responsibility that we have not called forth legislation on the Loan and Trust Corporations Act or is it his? I ask members that. It is the minister's responsibility, and the fact that his regulators were not there trying to find out what was going on was his responsibility, not my responsibility.

I can tell members that when the text is written on this whole sorry affair, and it is going to take time, I fear that we will have lawsuits for the next few years over this, going to the Supreme Court and back again; it looks like everybody will be suing everybody. Whether the minister is going to use his power with Mr. Rosenberg and the other players, trading off criminal charges against divesting themselves of those assets, I do not know. I do not know what is going on back there. I have some hints, but I do not know what is going on.

When the record is written, it is going to be one of the saddest chapters in the history of that government. It has the capacity to bring him down, because he has not handled this very competently. I have no judgement whether it was right or wrong to move in. I said at the time that the minister was going to remain responsible for his actions at that time, but I have a number of strong opinions on the way it has been handled in the past 10 days.

The minister's statement a week ago, with no further information, was irresponsible in view of the circumstances. He invited a run-up to \$20,000 with his terse statement. Then the Premier disappeared like a mole down to Florida and let the poor minister hang out to dry. The minister is expendable, and I am sure he has thought about that in his own mind when considering his own career, but depositors are not expendable. We still have no assurance of the state of those deposits.

I will make another prediction. That government is going to have to come good for the shortfall, because it is negligent and it is going to be sued for it. They have two choices: they can guarantee the assets as they are sold to someone who is competent and knows how to administer them or, on the other hand, they are going to have to guarantee those deposits some way or other.

Where I disagree with my friend, the leader of the New Democratic Party, is this: it is not the government's money; it is the taxpayers' money. It is the taxpayers who will be paying—who knows how much, \$130 million? We do not know the softness of those assets. It is going to be the taxpayers who will be paying for the

government's irresponsibility. We are going to remind people who was really responsible.

Mr. Gillies: Mr. Speaker, I have had the benefit of hearing only the last couple of minutes of the comments made by the Leader of the Opposition, but I think they are rife with contradictions and a number of points that are in complete error.

The Leader of the Opposition is being intensely critical of this minister for moving in on January 7 to ensure that the interests of the depositors and those who have dealings with the three trust companies were protected.

Mr. Peterson: On a point of personal privilege, Mr. Speaker: I did not say that. He may want to read Hansard and retract that so at least we can debate this thing in a factual way. I was very critical of the way it happened. I said the minister is responsible for going in and all the circumstances thereof. I did not say he should not have gone in. The member should get the facts straight before he debates in this House.

Mr. Gillies: Mr. Speaker, I will indeed check Hansard. But the point remains that the Leader of the Opposition has been critical of the handling of this affair despite the fact that the minister and Premier took him and the leader of the third party into their confidence prior to the introduction of the legislation on December 21.

Mr. Peterson: He didn't tell anybody what was happening.

Mr. Gillies: Good Lord, when the position of his party is to allow a bill to be put through this Legislature in one day which gives the minister the power to do certain things and then in the next instance he is critical because the minister does it, I suggest that there is indeed a contradiction on the part of the Leader of the Opposition.

When the minister moves to protect the interests of the depositors and the people who have their savings and retirement nest eggs in these three trust companies, I do not criticize the minister for that. I praise him for moving in a decisive fashion to protect the interests of these people.

Mr. Breithaupt: What about Brantford?

Mr. Gillies: The member for Kitchener asks, "What about Brantford?" I will indeed speak briefly about Brantford, because my community has a very large and active Crown Trust office. I have been talking with dozens of my constituents and working with them and trying to reassure them in the past week as to the

security of their deposits and the state of this company.

5:20 p.m.

Again, when we were trying to provide factual information and tell the depositors exactly what was going on in terms of the government's actions and the investigation that was under way, I had depositors calling me because the Leader of the Opposition said, "Credible people have said that investors in these companies may be facing major losses." He said that in advance of any statement from this minister or any concrete information from the investigation that is under way. The Leader of the Opposition sees part of his responsibility to be scaring the devil out of the depositors in those companies and I take the severest exception to that.

Mr. Speaker, you can well imagine that this minister acted to ensure the integrity and the credibility of the loan and trust company system in this province and he acted as he did to maintain confidence in that system. Every effort has been made by the government to avoid panic on this issue. I am sure I am not alone. Many other members of this House had inquiries from their constituents and they attempted to provide them with the best, the most up-to-date and factual information available.

Indulging, as certain members of this House did in the last week, in conjecture—

Mr. Laughren: Name one.

Mr. Gillies: The Leader of the Opposition for one; conjecture, rumour: "I heard that credible people." Who are the credible people? I would suggest this type of statement was not in the interest of the depositors, it was not in the interest of Crown Trust and it was not in the best interests of the integrity of the system itself. I think the minister has been very straightforward and was quite right. He exercised his responsibility by not indulging in conjecture and trying to second-guess the investigation that has been under way in the past week.

After the government moved on January 7 he said that he would bring a statement before the House to bring the most up-to-date, factual information before it and he has now done so. I and my constituents in Brantford who have deposits with Crown Trust can take some direct comfort from his statement today. He has pointed out what is seen to be a deteriorating state of affairs in Crown Trust, a feeling that perhaps the security of some \$130 million in assets may not be adequately protected; having facts in hand from the investigation, he has

voiced concerns about capitalization, the liquidity and public confidence in these companies. Now that the investigation has been made and facts are before this Legislature, now is the time to make statements about it, not in advance of any concrete information.

The minister also pointed out that in his estimation, subject to certain negotiations under way, the full amounts of the deposits will be secure and the people in my riding and others who have their savings in Crown Trust will be able to draw, if they wish, on the full amount above the current \$20,000 ceiling imposed by Canada Deposit Insurance Corp.

Mr. Cunningham: Thanks to the feds.

Mr. Gillies: I might add, while I am being heckled by a member of the Liberal Party, that the \$20,000 ceiling on depositors' insurance has not been changed since 1967 when that particular apparatus was put into place by the federal government. In some 15 years, the Liberal government of this country never saw its responsibility to at least increase that ceiling with the rate of inflation. A federal parliamentary committee in 1982 recommended a move to a minimum of \$60,000 coverage and finally Paul Cosgrove has now moved because he sensed that it might be politically hot and—

Mr. Laughren: Look who's talking.

The Deputy Speaker: Order. The member for Brantford has the floor.

Mr. Gillies:—perhaps after 15 years the time has finally come to make a move to protect adequately the savings these people have in these companies. It is 15 years later when the government of Canada decides that \$20,000 is not a reasonable level of protection for these deposits. I suppose that is the kind of swift action we have come to expect from the federal government but we laud the announcement made by Mr. Cosgrove now. I will not be critical of that except to say it is long overdue.

Interjections.

Mr. Gillies: That particular legislation, as the member for London North (Mr. Van Horne) well knows, is not the responsibility of this province's Premier but the responsibility of the federal Parliament. So I would ask the members over there not to try to slough off their problems on to us. Finally, the federal government moves.

Last week, the member for Renfrew North (Mr. Conway) and I were on a radio program during which I said, sincerely, that I would not be critical of the Leader of the Opposition for his actions through the fall months in asking

questions about this transaction, in trying to get information before the House and in pressing for further information in the best interests of the depositors of the three companies involved.

I would, however, be critical of his actions in the past number of weeks. I believe his legitimate concerns have given way to political concerns, to the possible hay that can be made with this. He has moved into the realm of conjecture and alarmism. That is how I see his present posture.

Then we have this particular emergency debate, moved by the member for York South, which I think indicates genuine concern on the part of many members of the House. I would certainly not be critical of the member for York South for moving this emergency debate. I am pleased it is taking place.

However, the motion before the House alludes to the alleged failure of this government to deal with the problem of the use of apartment buildings as trading chips.

The Deputy Speaker: One minute.

Mr. Gillies: On that very point, members will recall that on November 16 of last year the government moved that the Morrison inquiry investigate the business conduct of these companies in terms of the sale of the Cadillac Fairview apartments.

At that time the minister assured the House, and I quote, "If other steps were indicated, they would be taken and they would be taken quickly and responsibly." That has been done. I feel that the minister has fulfilled his obligations. He has lived up to the commitment he made on November 16 and, indeed, the further steps have been taken.

It is in the direct interests of the depositors in those companies, of the trust company industry and of all members of this House that the investigation go forward and that the facts be brought out. That is being done. I think the minister has acted in the best interests of the province. I feel that the criticism levelled against him is unwarranted and that when all of the facts are known, it will be found that the minister moved in a proper and appropriate fashion.

Mr. Philip: Mr. Speaker, it was only a couple of years ago that I chaired an inquiry in the standing committee on administration of justice into the demise of Re-Mor Mortgage and Astra Trust. The sad part of all of this is that the present situation we are facing likely could have been prevented. As the member who just two years ago chaired that inquiry into the demise of

Re-Mor Mortgage and Astra Trust, I recall the public outrage over the chummy relationship between the government and private financial institutions and the editorials which called for an end to it and for reform so that a similar situation would never happen again.

It is ridiculous that one can find out more about what is happening in the marketplace by going to the Albany Club than by calling the Ministry of Consumer and Commercial Relations.

The most recent case, of course, is the one that we are looking at now and which began by the sale of properties owned by Cadillac Fairview Corp. This sale would not likely have taken place had the Liberals and Conservatives not combined on November 4, 1976, to defeat our party's amendment to the Corporations Information Act which would have required disclosure of information about any corporation in which a company held more than a five per cent interest. If the amendment had passed, much of the mystery surrounding the Greymac deals would have been cleared up. Indeed, the whole fiasco might have been prevented.

During the last few days, I have received telephone calls from anxious constituents who have deposited money or taken out investment certificates or registered retirement savings plans with Greymac Trust Co., which happens to have a branch in my riding. Many are relieved to hear that they are protected up to \$20,000, including interest, on each amount or savings plan, but a few have had more than that invested.

5:30 p.m.

I recall during the Re-Mor inquiry the case of a farmer who had sold his farm for \$150,000 in order to retire at the age of 56, not an unreasonable desire for a man who had worked hard all of his life. He is now living on welfare as the result of the inaction and the poor supervision of this government, and here we have a repeat of this kind of fiasco.

It is little wonder, then, when one considers that the Conservatives during the election campaign, and indeed the Premier, promised those who were losing or had lost money under Re-Mor that they had nothing to fear if the Conservatives were re-elected, that people remembering that case and remembering what in fact has not happened should have some anxieties today.

The statement today by the minister gives little reason for optimism or confidence, nor does the statement by the Premier. The Premier compares investing in a registered retirement

savings plan with playing the stock market. How little this government has learned. How similar the statements that are made now by the Premier are to those that were expressed by him and his ministers during the early days of the Re-Mor inquiry.

Tenants can take little comfort from the statements today by the minister. There was no assurance that tenants would be protected in the long run. The minister stated that depositors and investors would be protected; but as far as tenants are concerned, they should be content to pay for these sales over five years instead of three, and they will likely face only an 11 per cent increase this year instead of the 25 or 35 per cent increase that would likely have happened if tenant groups, municipally elected officials and the New Democratic Party had not made it too uncomfortable for the government not to take some action.

During the debate on Bill 198 we moved amendments that would have protected tenants, not just those in Cadillac Fairview buildings. The amendments dealt with the issues that we in the NDP caucus have been raising for a number of years in this House: the problem of illegal rent increases; the problem of who owns buildings and the right of tenants to know; the problem of the exemption of certain buildings from rent review, and a number of other issues that we dealt with in that bill.

My colleague the member for Riverdale has pointed out that if tenants are to be reassured the government should now take possession of Cadillac Fairview buildings, collect the rents and otherwise operate the buildings. But it should do more than that. As the Federation of Metro Tenants' Associations has pointed out, the government should move very quickly on the kind of amendments we proposed with Bill 198.

The power and scope of loan companies has grown tremendously in recent years. The latest figures published by the Ontario government show that trust and loan companies registered in the province have assets of more than \$49 billion. Public liabilities are nearly \$44 billion, and in addition trust companies are administering in excess of \$60 billion through estates, trusts and agency funds.

It is not good enough for the minister to say that the Canada Deposit Insurance Corp. coverage should be raised to \$60,000. Indeed, if one looks at the US experience, coverage under the Federal Deposit Insurance Corp. in the US currently stands at \$100,000 US and has been

revised upward over the years on a regular basis. Tom Delaney, a spokesman for the Consumers' Association of Canada, feels that the level of coverage in Canada should be increased to at least match the US level in view of inflation and the higher per capita level of savings in Canada.

Indeed, there is no mention by the minister that either he or his predecessor has ever approached the federal government to express concern about the very low level of protection that is offered by it. Therefore, it is not appropriate for him simply to pass the buck and say it is the federal government's problem. It is his problem if he and his ministry have not gone to the federal government and revealed their concerns on this issue. It is time that we treat the trust companies as the powerful financial institutions they are, with legislation to provide real and substantial protection for millions of Ontarians dealing with these companies.

There is certainly a need for restrictions on the number of shares that can be owned by one person or corporation in a loan or trust company. There should be tougher and broader disclosure rules for consumers, for investors and for the public's information. There should be limits on investments in corporations by loan and trust companies. There should be a requirement that proportions of investment portfolios be set aside for social capital.

In general, what we are asking for, and why we are so disappointed in this government, is new legislation recognizing that trust and loan companies are major economic players in Ontario now with control over billions of dollars in capital. These corporations, as do all other financial corporations, have a wider social responsibility than simply playing with other people's money.

The statement today by the minister, his responses to the questions in this House and, even more disappointing, the response and insensitive answer by the Premier, give little encouragement to tenants. It gives little encouragement to working people who have deposited their savings and have been planning for their retirement through registered retirement savings plans.

More particularly, it showed the government has learned little from the Astra/Re-Mor fiasco. It has learned little from the other fiascos we have experienced in the interim. We see here the same arrogance that tried to prevent a public inquiry by a committee of this House into the goings-on in the Astra/Re-Mor fiasco, the

same arrogance that compares legitimate, hardworking investors to speculators.

It is that arrogance, that lack of action which requires the government to take responsibility for what is happening today and not to blame the opposition for being alarmist when we are simply expressing the same things the government has been told for years by members of this House, by members of the public and, I dare say, by people in its own ministries.

Mr. Conway: Mr. Speaker, I am pleased to rise in this debate on the motion introduced in the name of the leader of the New Democratic Party. I do so with feelings of anger, not as someone who has had great experience in terms of the committee that looked into the conduct of the Astra/Re-Mor situation as I do not have as much experience as other members with respect to some of the conduct of financial institutions, but I want to say I rise with no little bit of anger in my heart.

I am very surprised when I look around this chamber and see good friends of mine on the other side. I am thinking particularly of the distinguished senior member for Stormont-Dundas-Glengarry (Mr. Villeneuve), who through all this debate, although he is not here now, has nodded his head in some approval of what has happened. I cannot believe the good people of Kenyon township, whom he knows only too well, would in any way want to condone the conduct of this government that has led us to this unfortunate situation.

If I might, I would like to highlight quickly some of the issues the minister addresses in his 22-page statement. The minister reminded us of the underlying concern he had for the intervention on January 7. He said, "There exists a practice of or a state of affairs within the corporation that is or may be prejudicial to the public interest or to the interest of the corporation's depositors, creditors or shareholders."

Having said that, and after having done what he had just done, he certainly created a climate of legitimate concern all across this province.

I am mindful of some of the pathetic toadyism we have been subjected to here today from the likes of the member for Brantford (Mr. Gillies) who had the gall to stand in his place and somehow cast blame on the Leader of the Opposition who, together with others on this side of the House and some over there privately, are alone in protecting the public against what in many respects is an all too predictable tragedy. I suspect we have not heard the end of that.

For example, on page 9 of his statement, after thanking Bell Canada and a host of other good and wonderful people, the minister draws our attention to the help afforded him by Mr. W. A. Macdonald, QC. I have something to say about the performance of Mr. Macdonald, whom I do not know. I found it an incredible want of good judgement that the Minister of Consumer and Commercial Relations would, in so sensitive a matter and one in which there were so many public questions and concerns, take on at a critical juncture as his private and personal lawyer a man who sits on the board of Victoria and Grey Trust Company.

I do not want to recite what the president of Victoria and Grey Trust Co. said about his company being all that stood between chaos and order in this matter. The Minister of Consumer and Commercial Relations takes unto himself no less a person than a board member from one of the companies which has a stated interest in taking over one of the principals involved in this. I would ask the member for Stormont, Dundas and Glengarry what kind of judgement was that.

5:40 p.m.

We read in the press this very day that there is clear, almost irrefutable, evidence of inside information that was acted upon by many of the principals. What have we heard from the Minister of Consumer and Commercial Relations about that? Yes, there is suspicion; and I would argue all too much evidence to justify that suspicion over here and elsewhere across this province. I would have liked the Minister of Consumer and Commercial Relations to have addressed some of those concerns in his statement.

I found this next statement from the minister incredible, given the fact it was being read to us at 2:15 this afternoon. I quote from page 12 of his statement: "In the cases we are dealing with one of our main objectives was to take action that would prevent some or all of the companies from requiring liquidation or winding up."

Two and a half hours before the honourable minister stood in his place and said that, Mr. Leonard Rosenberg, a principal in Greymac Credit, issued a statement, the first line of which says, "I have instructed the lawyers of Greymac Credit Corp. to proceed with the voluntary winding up of Greymac Trust Co." Does that not speak eloquently of one of the principals of the minister's action? I would have liked to have heard something from the honourable minister of financial institutions on that apparent contradiction.

He says on page 14, "We wish to carry on the business as usual to the extent possible in the circumstances." He is referring to the three companies subject to the seizure. My leader stood in his place this afternoon and drew to the attention of all honourable members the fact that only three or four days ago the Ministry of Agriculture and Food would not accept a \$500,000 certificate held by a citizen of this province in the name of Crown Trust. What does that say about business as usual?

Everyone from the Premier to the member for Brantford invites members of the opposition to be responsible and serious-minded about this matter. At the very same time, a department of the same government will not accept a certificate of one of the affected companies. This is the company, we are led to believe from this statement, that is the healthiest of the three, yet no explanation is given by that department. Maybe somebody over there, perhaps the member for Brantford, would explain why the Japan-bound Minister of Agriculture and Food (Mr. Timbrell) is not prepared to honour the certificates of Crown Trust. Maybe somebody over there would want to satisfy my concern about how that squares with business as usual.

Then we have the extraordinary statement on pages 18 and 19 about Seaway and Greymac. We have extraordinary things, and I am not going to recite them all, but if ever there were evidence to indicate a gross dereliction of duty by the regulatory arm of the Ontario government, surely it is stated by the minister himself in the six points on pages 18 and 19.

As the member for York South properly points out in his resolution, this is not the first time. I would be very willing, almost indulgent, to give more latitude to the members opposite and to my friend the minister in this respect if we did not know that two years to this week, this Legislature was seized through one of its more hard-working committees with a reference that brought us to the kernel of this very issue. Maybe our mistake on this side—and I can remember a few Tories as well—was in believing the then minister, the current Minister of Industry and Trade (Mr. Walker), when he said it would not happen again.

What makes me so angry, what just disgusts me, is that two years ago we had this exact parallel and we were told it would not happen again. Some of us believed. Some of us were prepared to give this government the freedom to do something, forgetting all that had preceded, and the litany has been eloquently put out in

the resolution standing in the name of the member for York South. What has happened? Has that promise been kept?

Today I was reading some of the comments made by Murray Thompson in the committee 18 months ago. I am sickened to think that these people who prided themselves on management competence, having been faced with that whole plethora of failures and in some cases worse, are coming here today to say to honourable members on all sides, "Trust us. Give us time. We will protect the public interest."

I cannot easily give anyone, including the minister of Consumer and Commercial Relations, that kind of assurance as happily as I might have some time ago. Nothing is so eloquent as a want of confidence in the regulatory arm of the Ministry of Consumer and Commercial Relations than the statement read by the minister, that six-point reference on pages 18 and 19.

I am told I am almost out of time. There are answers this Legislature must have. I have old men and young women in Renfrew county who are coming to me with certificates in the name of Seaway and Greymac that they received from the Province of Ontario Savings Office. What does that say about one arm of this government? The minister knows of my concern.

I cannot believe my anger is an individual circumstance. No amount of toadyism the like of which we heard from the member for Brantford is going to be an adequate response to the legitimate concerns of thousands of Ontarians who are at risk because this government failed drastically and routinely in the discharge of one of its most fundamental public responsibilities.

Mr. Brandt: Mr. Speaker, my colleague the member for Brantford put forward a rather eloquent defence of the government's position with respect to this matter just a few brief moments ago. I raised his name in part to just correct the record so that we would know from what jurisdiction that member does come. I recognize perhaps some of the frustration and difficulty the opposition have in this issue because they do tread a very fine line. That line is one between legitimate questioning of a very difficult and complex issue—I think they have a responsibility to do that—and perhaps raising unnecessary and perhaps false concerns among the public at large. I think there has been an element of that as well. I would suggest the members of the opposition carefully tread that very difficult path when they are making public pronouncements with respect to a matter that

has a great deal of financial impact on thousands of Ontario residents. Any other course I think is not only unfair but is totally uncalled for.

It is the responsibility of the Minister of Consumer and Commercial Relations to respond to public concerns as the information is available to him and he is trying to do that; as the investigation is carried out, he is releasing that information to the public. He attempted earlier this afternoon to make a very comprehensive statement in connection with this whole question.

It is interesting that prior to the minister making his comments today in this House, the motion we are debating at this time had already been proposed some days ago by the leader of the third party. What that suggests to me and to my colleagues on this side is that quite obviously none of the words, comments or the positions the minister was going to put before this House were of any concern whatever to some of the members on the other side. They had made up their minds and they were not going to be confused by the facts; and that is as simple as it was.

5:50 p.m.

Interjections.

The Acting Speaker (Mr. Cousens): Order.

Mr. Bradley: A perfect statement for two years ago.

Mr. Brandt: I can only say to the member for St. Catharines that I was not here in this House two years ago, but I can tell him—

Mr. Nixon: You were a Liberal then.

Mr. Brandt: Oh no—that was many, many years ago. As a matter of fact I cannot even remember those days they are so far in the past.

My colleagues on this side have listened very carefully as this whole situation has unfolded with respect to the three trust companies under debate here today, and I speak for them all when I say that we have nothing but the fullest confidence in the Minister of Consumer and Commercial Relations in his handling of this matter. We have complete confidence not only in the way in which he has handled it but in the way—

Mr. Wrye: You may be the only 69 or 70 people in the province who do.

Mr. Brandt: Oh, I would not say that. One of the frustrations of members on the opposite side is that there has not been the run on the trust companies that I think some of them expected. As a direct result of that depositors have not

created the kind of hysteria they hoped for. The calm, cool, collected and very responsible statements of the minister have allayed the fears of the public.

Mr. Nixon: On a point of order, Mr. Speaker: One of our standing orders prohibits any member from imputing motives, and the honourable member has just done that. Certainly we reject that, but you should call him to order so he would withdraw that imputation and not repeat anything similar.

The Acting Speaker: I thank the member for Brant-Oxford-Norfolk and I will ask the member for Sarnia to withdraw the imputation of motives.

Mr. Brandt: I will withdraw the comment, Mr. Speaker, if I have injured the feelings of any of the members opposite.

The reality is that in respect to the Greymac, Crown and Seaway affair the minister reacted very expeditiously. This is particularly so with respect to the concerns of the tenants that were raised when this whole matter first came up about the flipping of mortgages and the refinancing of this whole property. Not only was he on top of it but he immediately brought in legislation to control any situation that would have taken advantage of the tenants of those properties. He allayed the fears of the tenants in that respect.

As this matter proceeded and it became obvious there were some problems with respect to the operation of these companies, the minister took the actions he did in the last few days. Those actions are totally supported by the people of this province. Most members on both sides of the House are not getting a rash of telephone calls expressing concern about this matter, unless they are exaggerating the situation. I have had very few questions raised by the constituents I represent about the minister's handling of this matter.

Mr. Cunningham: They know better than to call you.

Mr. Brandt: I appreciate that, but the fact of the matter is that when they call me they get some results. That is perhaps something they do not get when they call that member.

Mr. Riddell: We are getting your calls.

The Acting Speaker: Order.

Mr. Brandt: The decision to act was made in consultation with the Canada Deposit Insurance Corp., as the minister indicated, in the belief that in each case, "There exists a practice

of or state of affairs within the corporation that is or may be prejudicial to the public interest or to the interests of the corporation's depositors, creditors or shareholders."

When the minister had information brought to his attention that made it abundantly clear there could have been problems relating to the statement I just made, he took the necessary action. To suggest he could have taken some action two weeks ago, four months ago or two years ago is totally irresponsible on the part of the members on the other side. How can one respond to a problem before the problem is obvious, as it was in the case of Greymac, Seaway and Crown?

I would reiterate in closing that the members on this side of the House have nothing but the utmost confidence in the actions of the minister. We recognize this is a difficult and complex issue, but we believe he is handling it in an appropriate and positive way, and none of the members on the government side have any difficulty whatever in supporting the actions that have been taken to this point.

Mr. Cassidy: Mr. Speaker, in the few minutes remaining in this debate, I just want to make a few comments on what the situation appears to be right now. I think we all recognize that the ramifications of the Greymac, Seaway and Crown Trust affairs are going to be with this Legislature for a very long time. Regrettably they may well be with this province for a long time as well. People from outside Ontario are going to be looking at this province and saying: "How the devil could that have happened in Ontario? Who was asleep at the switch over the years in which this was allowed to develop?"

It is a fact that the regulators in Ontario were not really regulating at all. This was because of the cosy kind of relationship that seemed to exist between the regulators and the trust companies that came under provincial regulation. It was because of the kind of attitude the minister talked about in his statement today where it was assumed that everybody was working in the right direction and everybody was going to work in a gentlemanly fashion. So while the guard of the government was down, the regulators were not really regulating at all.

They were overlooking a situation where second, third and fourth mortgages were being piled one on top of the other; where companies were being allowed, or were putting all their eggs into some very questionable baskets, putting 30 or 45 per cent of their total assets into mortgages in control of one group, the Kilder-

kin group. That, quite apart from anything else, is bad business. Certainly it is bad in terms of the financial probity of the companies that are involved. It is bad in terms of depositors, and it is certainly bad as well in terms of the ultimate victims of all this—the tenants. I still fear that one way or another they are going to find themselves having to pay higher rents because of the laxness of regulation of this government.

The government now is busily trying to close all the stable doors regardless of the fact that for the most part the horses have fled. There do seem to be signs that some of the horses that fled are looking at very fat bank accounts—money that has effectively been taken out of trust companies and has been put into private pockets. This could have been done in a way that may have benefited individuals but which is going to cost us all in the province—tenants, depositors and the public at large—a great deal over a long time.

Some years ago, when I was a financial journalist, I followed all the ramifications of the Atlantic Acceptance affair. In the wake of that incident, there was a long inquiry followed by the creation of deposit insurance in the province. But it is significant that the commitment of government at this level and at the federal level to the concept of protecting depositors was so great that between that day and today not a penny was added to the value of the deposits that would be protected under deposit insurance. It was \$20,000 in 1967, and \$20,000 until 1:55 p.m. this afternoon. It is finally being raised now by the federal government in the wake of the findings of the Seaway, Greymac and Crown Trust affairs.

This is reactive government, reacting to problems it should have been able to anticipate, when the people regulating the industry had a

responsibility to know what was going on. One has to ask why it was not raising questions about the probity and about the actions of the people who were playing all these games.

Why was it not listening to what was happening on the street? Why was it not looking at the overmortgaging that was taking place long before the Cadillac Fairview deal? Why was it not looking at the fact that more and more of the assets of some of these trust companies were going into the hands of particular individuals? Why was it not looking at what seemed to be a sporting game in the business sector, a sporting game where people with speculation in mind could have the multi-million dollar assets of trust companies and toy with them as though they were their own personal fortunes?

This appears to be the situation to which we are now catching up because the government finally decided something should be done. It speaks ill of the government that the situation would have gotten to this—

The Acting Speaker: Time.

Mr. Cassidy: —stage by now and that so many people are still being threatened with being hurt. The responsibility, if anybody is hurt, will be on the shoulders of the government, the Conservatives over there.

Hon. Mr. Wells: Mr. Speaker, I thought I would just indicate to the House that, of course, we will be sitting tonight. At eight o'clock we will deal with the supplementary estimates of the Ministry of Community and Social Services in committee of supply. When those estimates are concluded, we will move to order 43, the concurrence in supply for the Ministry of Community and Social Services.

The House recessed at 6 p.m.

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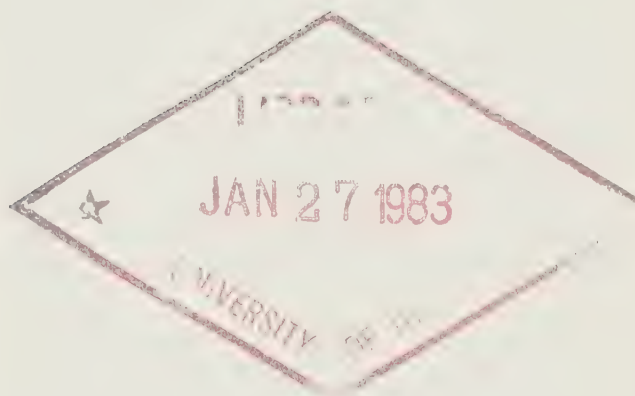
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No. 183

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Monday, January 17, 1983

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Information Services Branch, Ministry of Government Services, 5th Floor, 880 Bay Street, Toronto, M7A 1N8. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Monday, January 17, 1983

The House resumed at 8 p.m.

House in committee of supply.

SUPPLEMENTARY ESTIMATES, MINISTRY OF COMMUNITY AND SOCIAL SERVICES

On vote 3102, adults' and children's services program; items 4 and 5, income maintenance and adults' social services:

The Deputy Chairman: The member for Prescott-Russell.

Mr. Boudria: Mr. Chairman, may I conclude that the minister has no statement he wishes to make at this time?

Mr. Nixon: He means, yes, he has no statement.

Mr. Boudria: Yes, he has no statement. I do not intend to be long on these supplementary estimates. I understand we are doing concurrences later this evening. I would like to take a little more time then to speak since, as the minister knows, it has been quite a long time since we passed the estimates of his ministry. Many things have happened since then in various areas, not just relating to general welfare assistance. A variety of other things have occurred this year.

We all know the importance of general welfare assistance at this time in this province. It is not an importance we should be proud of but it is one that is very necessary. It is disheartening to see the number of people who are on general welfare assistance. The size of welfare rolls has increased tremendously, as we know, and the benefits have not nearly kept up to what they were a number of years ago.

I believe there was a report, which I do not have in my hand at this time, that stated the cost of living since 1975 had increased by something like 133 per cent and that general welfare assistance had increased by somewhere in the 50s—I believe it was 59 per cent—in the same period of time. This has led to a situation in this province where general welfare recipients are far worse off now than they have ever been in our history. This is notwithstanding the fact they received some increase just prior to Christmas.

There are various ways of measuring the

poverty line and, because there are various ways, the minister in the past has stated that, "Somebody's poverty line may not necessarily be realistically what the poverty line is," and so forth. Just for the sake of discussion, perhaps we could talk briefly about what the Statistics Canada poverty line is.

The 1981 Statscan poverty line in a city of 500,000 or more was \$16,361 for a family of four and \$14,198 for a family of three. In the case of a town of 100,000 to 500,000, Statscan estimated the poverty line for a family of four was \$15,549 and \$13,455 for a family of three. In small-town Ontario, communities with a population of 30,000 to 99,999, the figures were \$14,536 for a family of four and \$12,575 for a family of three. I do not know whether we could conclude that in yet smaller towns the poverty line would be reduced a bit once more. Regardless, I am sure all of us would agree that the general welfare assistance rate has to go a very long way before it reaches anyone's poverty line.

I wonder whether the Minister of Community and Social Services (Mr. Drea) has a poverty line which he uses to measure that type of thing. If he does, maybe he could tell us whose it is. With all the ones we have been able to find, it does not seem he has been using any of those, because obviously he is at a far lower rate than anybody else.

It is interesting to note, though, that in the mid-1970s, we were at about the level of the Statscan poverty line at that time. So, presumably, at one time or another the government must have acknowledged that there was some validity to some of those poverty lines; or maybe it was just a coincidence that we happened to use figures that closely resembled theirs. But, for whatever reason, the minister no longer sees fit to use those statistics.

The other aspect of general welfare assistance which should concern us this evening is the impact that welfare has had on municipalities. Perhaps I could refresh the memory of the House about the statement made by the Minister of Municipal Affairs and Housing (Mr. Bennett) on August 23, 1982. I believe the statement was made at the annual meeting of the Association of Municipalities of Ontario. At

that time, the Minister of Municipal Affairs and Housing stated the following:

"My present reading of the revenue forecast for the province for the next year suggests that there may be no increase in the municipal grants over this year's level." He said further, "It would be imprudent for any municipality to plan for next year on the assumption of any increase in grants from the province."

Of course, we realize that municipalities do not choose whether they want to participate in general welfare assistance, and I am not advocating that they should have that choice. Obviously the general welfare assistance has to be provided where there is need. What is very difficult to understand, though, is the following: the province is recognizing that we need \$92,572,100 more in income maintenance which has to be matched by municipal dollars to the tune of 20 per cent, and we are being told at the same time by the same government in the announcement made by the Minister of Municipal Affairs and Housing that the municipalities cannot expect any increase in their grants for next year to assist with this increase in welfare.

I invite the minister to tell us—and I know, of course, that responsibility is not specifically only his but that of his government—that we should have a threshold point and beyond a certain figure the province would assume a greater proportion of the welfare costs, because paying welfare costs by the acre obviously can be done for only so long.

I will just use the example of the town of Hawkesbury in my own constituency which has seen the property assessment decrease by the closure of the Canadian International Paper plant. The assessment will decrease by roughly 15 per cent. On the other hand, we have increasing welfare, not specifically as a result of the CIP plant closure because, of course, it will take a while before all those people have drawn out their unemployment insurance benefits and become welfare recipients. I hope the economy will pick up before then, and I certainly hope the people of Hawkesbury will be able to find meaningful employment. Nevertheless, the fact remains that at the immediate moment the assessments will go down by something like 15 per cent. Not everyone at CIP is going immediately on welfare, although some of them will, but the welfare rolls in Prescott-Russell were already on the increase.

8:10 p.m.

We have increasing welfare rolls, increasing provincial government expenditures to pay for

their share of welfare, a literal freeze announced by the Minister of Municipal Affairs and Housing in grants to the same area to pay for their share of the welfare and assessment going down at the same time. How on earth are municipalities supposed to manage with that kind of situation? There is only one way, of course: they have to increase the mill rate.

When large numbers of people are unemployed, increased mill rates are not very well received, and for a very logical reason: they have not got any money to pay the property taxes. What is happening in Hawkesbury now is not unique, and I am sure some of my colleagues will reinforce that later on tonight.

This afternoon we heard the third party critic asking a question that mentioned something along the same lines, that many municipalities in the province have had massive increases in welfare and are going to experience a lot of difficulty in paying for their share unless the government comes up with a revised formula, which in my view should have some sort of threshold component at which point the assistance changes.

Maybe the minister is going to say, "We cannot pay 100 per cent beyond a certain point." At least it would be better than the present formula if at a certain mathematically calculated point the government were to arrive at greater funding or something so it could assist the municipalities with the very serious burden they are going to experience before things get better.

Even if we are just on the threshold of economic recovery in this province, which is far from being obvious yet, by the time the situation improves significantly there still will be a great number of people whose unemployment insurance benefits will expire, who will not have been able to participate in the new job creation program created jointly by the federal and provincial governments and who, therefore, inevitably will end up on the welfare rolls.

Earlier in this session—I believe it was in October—I mentioned in this House some of the increases in welfare we had experienced over the preceding year. At that time—and again I am talking about October 1982 over October 1981—the city of Windsor's welfare costs had increased by 45 per cent over 1981; in Essex county they had increased by 39 per cent; in the St. Catharines region they had increased by something on the order of 17 per cent; in Sudbury they had increased by 27 per cent—and they have increased drastically since then,

of course—and in Peel they had increased by 86 per cent.

It was very difficult for municipalities to forecast that kind of growth in the welfare rolls. Even the government, I suggest, never expected things would get so bad; otherwise, we would not be doing these supplementary estimates now. Had the government suspected the situation would get better, I am sure they would not have put funds unnecessarily in the income maintenance program of the estimates.

I am looking at the estimates book on page 48. At the bottom of the sheet we see the five-year expenditure trend for the cost of the income maintenance program. We see that in 1978-79 the expenditure trend increased by 14.9 per cent over the previous year; in 1979-80, by 10.1 per cent over the previous year; by 16.4 per cent in 1980-81; and by 10.6 per cent in 1981-82.

The estimated increase in 1982-83 is very interesting. The estimated increase was supposed to be 2.5 per cent. That is certainly not what happened. If that is not correct, the minister can explain what that is.

Hon. Mr. Drea: Mr. Chairman, I sympathize with the honourable member when he is talking about the increases in general welfare assistance. On this page we are talking about family benefits, and it is remarkably accurate. If he will turn to the next page, it talks about municipal allowances.

Mr. Boudria: Mr. Chairman, I am reading about municipal allowances and benefits. I am looking at that sheet 48, and I will just read very briefly what it says at the bottom.

"The 1981-82 estimates have been adjusted to include a supplementary estimate of the sum of \$3,050,000 in October 1981. This was part of the income support package that covered the introduction of a selective shelter subsidy shared 80-20 with the municipality. This will replace the cost-shared municipal programs, which are now in place in some localities, with a comprehensive province-wide shelter subsidy. The municipalities may still provide a rent supplement under supplementary aid or special assistance.

"The 1981-82 forecast includes the above and also the annualization of case-load increases experienced in 1980-81. During 1981-82, the number of cases increased to 79,000 from 76,000 in 1980-81, an increase of four per cent."

The table is right below that.

Nevertheless, the estimates made by everyone were on the very conservative side, and I do not think there is anybody who forecast—and I am sure the minister will acknowledge this—

that we would see that kind of increase in welfare rolls. There is nobody who wanted that. It is a very unfortunate thing, but the fact is that we have to live with that now.

Just as the minister has to seek supplementary estimates to provide that assistance, the municipalities that have to pay out their percentage are having to do the same thing, and they are in dire straits. They are in a situation that is not rosy. There are not many municipalities in this province that are going to have a situation whereby their assessments will grow faster than the number of welfare cases. It is certainly not the case with municipalities in my constituency.

I mentioned the fact that my own area had some increases in welfare, but I will just name a few more. In Brockville the number of cases from October to October increased by 43.4 per cent, and in Cornwall the number of cases increased by 27 per cent over the same period. Of course, it is quite correct to say that it has gotten worse since then.

Regardless of the point that the increase in the figures used here may be somewhat on the conservative side, the fact remains that nobody forecast that size of expenditure. It is time that governments came to grips with the fact that they are not the only ones paying welfare; the municipalities also pay but, unlike the province, they are in a very difficult situation when it comes to finding the funds.

Of course, the minister is going to tell us that he is also in a very difficult situation when he is in negotiation with his cabinet colleagues to find funds to run all the various programs that his ministry is running. I understand that and I am very conscious of that. I know that the funds are scarce.

However, for a municipality the situation is a lot worse in the sense that it has only one method of getting those funds. They cannot issue a debenture to get welfare money. They cannot do any of those things. The only thing they can do is increase the mill rate or find somebody who is going to construct a few high-rises in downtown Hawkesbury to increase the assessment. Given the economic situation we have now, not too many people are constructing high-rises in Hawkesbury, Windsor or various other areas where we are in that kind of situation.

8:20 p.m.

The other concern I have in regard to general welfare assistance is that the people on welfare, recognizing the fact that they do not have a very large increase in welfare benefits, are

unfortunately still having to pay the cost of inflation more than anybody else, even in the current year. The large increases that some of them are experiencing in rent, in electrical energy consumption and in all kinds of other things were not put under the government wage restraint package. They are, of course, having to pay for those increases while many others in society do not have to pay those costs.

The minister may say the cost of rent is increasing for everybody. But the situation is far different when one has a disposable income one can use to pay for an increase. That is not nearly as hard as when one cannot make ends meet already and one has to rob Peter to pay Paul, so to speak, to pay one's bills.

There are many people in my own constituency, and even here in Toronto, who have come to my office. I am sure that applies to all other honourable members. They sit down in front of us and show us a little budget they have made: heat this much, light this much and rent this much. They mark up the total and it is almost the equivalent of their welfare cheque. When they come to my office, they say: "The welfare administrator is cheating me. He is not giving me everything I deserve." I look at the amount and say: "No. That is exactly the amount you are supposed to be getting." They say: "You're joking, of course. Nobody could live on that."

This is a very difficult situation, because many people who were out in the work force and paying high taxes, as many of us do, formed the impression that many of the people on welfare were there willingly. This, of course, is erroneous. They thought they were receiving huge benefits. The only reason they thought that was that they were paying high taxes and, when one pays high taxes, one automatically thinks all the moneys used in that are going to somebody else who is drawing money out of the system instead of putting some in. One automatically thinks that person is receiving oodles of money. That is not the case.

When those people who were in the work force for a number of years are placed in a situation where they themselves become welfare recipients they are totally disbelieving when they see the size of welfare benefits. Members know that one member of the Legislature attempted to live for one month on a welfare diet and did not do so very successfully. He lost a considerable amount of weight at that time. I think he has regained some of it now, although maybe he should not have; but in any case he did lose a certain amount of weight

trying to live on the amount given to somebody on welfare.

I grant that somebody who has been living on welfare for some time perhaps gets to be a thrifty shopper; he gets to be wise; he gains a certain amount of knowledge in doing things that we perhaps do not devote much time to because we have more than he does. But there is no way one can cut out such things as heat, light or rent. There is only so much that anyone can cut out. That is a very difficult situation to live in when there is just not enough to go around.

The other thing is that the new people on welfare are just like us in the sense that they have not been accustomed to living on these types of benefits and, when they become welfare recipients, they are at a loss to understand how anyone in that situation possibly could have managed to make ends meet for an extended period of time.

Mr. Chairman, I will conclude my remarks on the supplementary estimates. We recognize that the funds are needed. We hope that included in the the minister's comments or in the remarks of some member of the government there will be an indication to the municipalities of a willingness to assist them by sharing the burden of their contribution, which at present amounts to some 20 per cent of the total cost of welfare. This, it should be noted, is just a little less than this government's share.

Many people are of the opinion that welfare is an 80-20 sharing situation, with the provincial government's share being 80 per cent. However, the federal government contributes 50 per cent to the cost of welfare, the provincial government 30 per cent and the municipal government 20 per cent. This government does not readily point this out to everyone in the province.

I hope the minister will be able to correct some of the inequities and to improve the benefits, which still are not at an acceptable level. I hope he will address these matters in his remarks.

The Deputy Chairman: Does the minister wish to respond?

Hon. Mr. Drea: How would you like it handled, Mr. Chairman?

The Deputy Chairman: However the majority wishes it.

Hon. Mr. Drea: Do you want me to reply to each, or do you want me to wait until afterwards?

Mr. R. F. Johnston: Yes.

Hon. Mr. Drea: Yes what?

The Deputy Chairman: They would like your reply now.

Hon. Mr. Drea: Mr. Chairman, in terms of the impact upon the municipalities, I think the member for Prescott-Russell (Mr. Boudria) has stated the facts correctly, at least in principle. It is fair to say that some municipalities have been hit much harder than others. In fairness to the honourable member, he was talking on a general average, although he did make references to his own municipality.

In terms of decreases of assessment, if that were to continue, the Minister of Municipal Affairs and Housing obviously has some remedies for that, but that really is in a long-term situation.

Without going too much further, I think I can assure the House on two matters. One, I am looking into the impact on municipalities. I am looking at the most beneficial way to assist the municipalities, particularly the smaller ones such as the united counties of Russell and Prescott. I wish to point out that their burden of the recession began much earlier and has been carried much longer.

Some of the areas one hears about now are relative newcomers to the situation by virtue of the fact they had a very strong employment base in the past, whereas there are many areas of the province, particularly in eastern Ontario, that do not have that. Correspondingly, parts of eastern Ontario, as well as some other areas, do not have the industrial or commercial base to ease the property tax load. Rather, it has been eroding, or has remained stagnant, for many years.

The type of approach I am looking at, and which the government will be looking at very shortly, is aimed at those municipalities in which, even were the recession to end tomorrow, there would remain a long-term impact based upon the historical economic facts.

8:30 p.m.

Second, in terms of the rate increase, when the honourable member was talking tonight about that poverty line—and there are many, quite frankly—he was asking about a 70 per cent increase in general welfare assistance for that family of four. I do not think either he or his party envisions a 70 per cent increase at this time.

Mr. Boudria: I did not say that.

Hon. Mr. Drea: The member suggested the

Statscan poverty line of \$14,000—is that not his poverty line?

Mr. Boudria: Yes.

Hon. Mr. Drea: To bring that family of four up to that requires an increase of more than 70 per cent in the general welfare assistance rate.

Mr. Boudria: I ask the minister which poverty line he is using.

Hon. Mr. Drea: The one the member mentioned. That is the only one I have with me tonight.

Mr. Boudria: That is the one the minister is using to derive his benefits.

Hon. Mr. Drea: No, the member used it.

That is one of the difficulties with using one form of poverty line or another. This is not the first time this type of thing has occurred. There are a great many poverty lines. The member mentioned that. They are general yardsticks and they do not measure subsistence but rather reflect community living standards. In essence, they are economists' judgements of required purchasing power. Statscan does have its widely quoted low-income line, but again that varies by family size and by community.

Part of the problem is the fact that a family's annual income may be above the poverty line, but the members of the family are nevertheless in need because they are unemployed. Right now, with a combination of man and wife, perhaps one person in the family is on unemployment insurance that is not exhausted yet. That situation can occur. Quite frankly, that is why we have not recognized one single poverty line.

There are also some other variables the member does take into account. There is very little subsidized housing in his own area. There is an enormous amount of subsidized housing in places like Metropolitan Toronto and other urban areas. On the other hand, the rents in smaller areas tend to be somewhat lower than market rents in other areas.

I think back in the 1970s it was coincidence, because the one factor that has eroded everybody, inflation, was not with us when those two were there. Certainly any and all poverty lines, including the ones where they cook the books, are interesting and do have some value in terms of focusing in on some aspects of the problem, but as accurate measurements I do not think they reflect the reality of today.

The other fact the member mentioned was a threshold figure. I am not altogether sure what he meant by a threshold figure. I presume he

was looking at the present one of six per cent. If six per cent of the population is unemployed, certain higher provincial subsidies kick in. I take it that, rather than an actual case load number or something else, was the threshold figure he was referring to.

Mr. Boudria: I said some sort of arithmetical method of changing the subsidy rate at some point.

Hon. Mr. Drea: The member mentioned threshold figure and I just wanted to make sure I understood which one. Actually, I think that is rather an accurate impact measurement. Quite frankly, I think the present six per cent is too high. In terms of a real measure of impact and something that might help the municipalities, I think the member is on the right track, since the minister is on the same track.

I think that is a way of assisting the municipality to meet its long-term obligations without bringing about so substantial or so permanent an increase in the property tax rate as to be counter-productive within that municipality. I think that answers the concerns of the member.

Mr. Boudria: If I can ask for a further explanation, did I hear the minister correctly when he said it would require a 70 per cent increase in benefits to reach the poverty line which he has acknowledged was relatively accurate in 1974 or 1975? I should not say accurate, but coincidental. In other words, in 1974 and 1975 it is roughly at the equivalent of that same Statscan poverty line, which has now increased of course, and now it would require a 70 per cent increase. If that is the case, does that not speak to just how inaccurate the level of benefits is? If that is not the case, maybe the minister could correct it.

Hon. Mr. Drea: If the member thinks he is going to get me to go along with the same story that he or somebody else put out some time ago that inflation has eroded benefits by 75 per cent, he is not. What I am really pointing out is the simple fact that the particular poverty line index he used is a judgemental thing. If he wants to accept it as today—may I ask, does he?

Mr. Boudria: The only thing I am asking—

Hon. Mr. Drea: If he does not want to answer me, why did he use it? If he uses it and he says the benefits should be there, right now he is calling for better than a 75 per cent increase. Does the Liberal Party want a 75 per cent increase in general welfare assistance?

Mr. Boudria: What I am asking is, did that scale ever actually reflect what it was used for?

Hon. Mr. Drea: No, I do not think so.

Mr. Boudria: Why was it used at one time?

Hon. Mr. Drea: It was not. That is what I told him. He asked if it was the accurate measurement or was it coincidence and I told him coincidence.

Mr. Boudria: The amount was the same at one time.

Hon. Mr. Drea: We will try again. I told him it was coincidence. It never was a measurement. Does that end the argument? It never was a measurement. In many ways it reflected certain things at that time because inflation was not such a distorter, but it never was a measurement.

Mr. R. F. Johnston: Mr. Chairman, I would like to deal with the first part of the supplementary estimates, that is the income maintenance portion and specifically at this point deal with the \$87 million additional expenditure for municipal allowances and benefits. Right afterwards, I think I will have some questions on the other amounts in terms of exactly what they reflect because it is never clear in the summaries that are given.

I would like to do this in a fairly broad context, if I might, and try to put my views across in terms of the history of income maintenance at the provincial level, specifically as it is applied to general welfare within the range of income maintenance programs which are either administered by or co-sponsored by Ontario.

I think it is fair to say that the history of income maintenance has always been one where there has been a reflection of the powerlessness in political terms of the group that requires assistance. If one looks at any of the estimates back over the last decade or so in this province, in the combined amount of money we give to social assistance of one kind or another for the people of this province we have seldom, if ever, given more than five per cent of our total budget to the poor in an attempt by government to deal in a serious way with poverty.

It is very seldom over five per cent. Even with this supplementary estimate we are getting today, it will still not be over five per cent for this budget year, even with all the supplements; and I am not sure what we are up to, but it must be around \$23 billion.

8:40 p.m.

I think that reflects on the question of morality, political morality in the politics of poverty. I

guess a lot of us have been thinking a great deal lately about the message by the Catholic bishops in this country and the question of the economy and political morality and the role of government in terms of doing everything government can to protect the ability to work and have meaningful employment.

I would suggest there is an extension of that morality in terms of government's basic responsibility to do what it can to overcome the problems of poverty. We must not just wring our hands and say the poor will be always with us and take that traditional *laissez-faire* approach. We must not, as government, allow ourselves to slip into the position of saying these people have no power, they have no vote, many of them are unliked by the rest of our society that is paying the way, as it were, so let us not really address ourselves in a serious fashion to the matter of poverty.

I would suggest that not just in this jurisdiction—I am not pointing the finger at this particular minister and I am not pointing it at this particular government—but in all governments in this country, I do not think we have ever really seriously looked at the question of poverty and the seriousness it should assume in terms of public policy.

During the late 1960s and early 1970s, when we were a more affluent nation, there was perhaps a move towards an acceptance of the notion of universality and the idea that we might address the problems of poverty in a serious way; we did it in terms of royal commissions and suggestions that we should be giving more to the Third World and to our own native people and seeking the elimination of poverty in our urban settings. But as the crunch of money came back and the salad days, if you will, went by, we quickly moved back to the notion of this question of the lack of political power and the divide-and-conquer kind of approach to poverty.

Rather than really trying to meet the needs, we decided to establish good guys and bad guys; those that would be more acceptable in terms of receiving increases, those that maybe should even receive vesting and those that were less acceptable in a political sense, and any minister or any government in going to bat for those people might actually risk their political necks in so doing because of the lack of acceptability in our society for protection of those individuals.

I would suggest that what we have done in this province has been to do just that. Instead of the notion of having all our income maintenance systems totally divided between the provincial

government and the federal government, the notion of universality of standards that would be applied across the province or across the country, we divided off a group from that kind of notion of income maintenance because they were too unsavory, they would only cause political problems rather than bring political benefit.

As a result, provinces across this country decided they would give responsibility for a major portion of the income maintenance of that group of people to the creatures of the provinces, the municipalities. The municipalities would be used to control the costs, to deflect away from provincial attention and provincial policy initiative the problems of that particular group. That group I am talking about, of course, are welfare recipients.

That was done right across this country and the notion that these people should be separated out from family benefits recipients, from old age people, from people who were disabled, and be put off in their own category and handled by the municipalities, was one that was accepted for a long period of time.

The reasons for doing that are rather sinister, if we look at them. It allowed a greater discretion of interpretation by municipalities. If we look at our General Welfare Assistance Act and the manuals that various municipalities have developed—not many as thick as this one from the Metropolitan Toronto area—I assure you the amount of discretion that has been given to municipalities to decide who is worthy of receiving income maintenance and the category of the welfare recipient has been extreme. So much so that people actually move from one municipality to another because one municipality will not give them assistance which is their right under the General Welfare Assistance Act and the other municipality five miles away is willing to do so.

Part of the reason for doing that is not just a meanness of spirit by one municipality in comparison to another, it reflects what the minister was speaking about just a few minutes ago to the member for Prescott-Russell and that is the reality of the economic viability of the municipalities to be able to provide the kinds of services that we have available for people under general welfare.

If one has a very low tax base and very little commercial or industrial assessment, one does not want to see all the money going off and paying welfare and the kinds of discretionary programs that can go along with welfare, which

will cost money at the municipal level. So one plays it tough. That has had an effect, not just from municipality to municipality, it has had an effect on keeping the rates of welfare recipients down and their average increases down below that of any other group in our income maintenance structure across the province.

What that has meant is that those people at the local municipalities are being used as pawns by the provincial government here in this province. It has been done in other provinces as well. When it comes time, on an annualized basis generally speaking, to try to look at increases, the government of the day will say to the municipalities and their organizations: "Do you want us to raise the welfare rates this year? We are going to be raising the family benefit rates, there are a number of other things we will be doing for people on total provincial programs and do you want us to raise your rates?"

The municipalities will say, "What kind of a transfer payment are you going to give us this year?" The government will say, in the extreme case of this year: "Somewhere between zero and five per cent. We do not want you to raise your taxes any more than five per cent." The municipality says: "If you are going to do that in this kind of time, then we do not want you to increase the rates because that will be too hard on our budgets. We will have to cut back on other kinds of things that our middle-class property taxpayers will have to pay."

Then the minister gets up here in the House and he will announce an increase of seven per cent for the family benefits recipients; an increase of eight per cent, nine per cent for family benefits recipients on the guaranteed annual income system for the disabled, for instance, and he will say: "I am sorry but this year there will be no increase on general welfare because the municipalities do not want me to raise that. I, therefore, do not think this is the time to do it."

Hon. Mr. Drea: I never said that.

Mr. R. F. Johnston: I would suggest that in 1981 that was virtually what took place. It might not have been said in those terms but I am saying that is, in effect, what this government has done in the past. The minister has used in speeches—I would be glad to get one out—the whole question of municipalities saying: "Do not raise the rates on me." He has said that in estimates before.

Not only do we have the amounts played off, but the whole notion of universality has not been accepted for these people. The whole

question of a uniform rate that those people should receive, whether they live in Kapuskasing or whether they live in Toronto, has never been accepted, whereas we do accept it for other programs.

What has happened is that those general welfare recipients over the last 10 years have lost more and more against inflation than any of the other groups. Senior citizens became positively popular during the mid-1970s. The federal government even indexed them. "That is a great idea. These are the people who built our country. They are more acceptable politically and, therefore, we should index them." That has been advocated here at the provincial level as well.

Mr. Martel: The province was the one that fought the battle in Ottawa to get this group indexed.

Mr. R. F. Johnston: The member for Sudbury East is just giving credit to the provincial government for advocating that very move in Ottawa. That was a positive thing until this July when that indexing was taken away from senior citizens, when the crunch came down and their contribution to our society and the building of our society no longer became enough to warrant giving them the quarterly indexing they had received.

8:50 p.m.

Let us say that at least in general terms they became popular. Their increases rose higher than most other groups. At the tail-end of the 1970s, we could see the same thing happening with the disabled. Although even with the last increases given by the minister a permanently unemployable person is still behind, there have been major increases given to that group because they are now popular, they are now acceptable.

All of a sudden it is a group to which in the last little while we can find our way to give a maximum increase of 24 per cent, according to the minister's figures. Why were they not worthy of that in the past? I would suggest it was because they were not politically strong, they were not politically viable and they were not seen as one of the good guys. But they are now.

We have in family benefits the single mothers who, next to welfare recipients, have received the lowest increases over the last number of years. But they are more acceptable because of the kids. People do not think about welfare recipients as people who have children, although if we look at any of the statistics coming out of this ministry we will see that 40-odd per cent of

the beneficiaries of the welfare assistance program are children. That may be out of whack this year because of the number of single employables coming into the numbers, but traditionally that has been the case.

We have seen in the past year a move by this government to move the mother from family benefits into the general welfare category in terms of the delivery of that service at the municipal level. One has to be fairly blind not to see the writing on the wall, that in the long run, as employables, they are also part of the responsibility of the municipalities financially, as a new deal is worked out for whatever it may be instead of a 20 per cent cost to the municipalities. "We will give you FBA employables, plus the GWA, employables and unemployables. We will wrap that all up and we will just charge you nine per cent for that."

This is a figure—I do not know where it has come from, just out of the blue or something that is roaring around the buildings in the last number of months—which is a possibility. They have now joined the group of unacceptables in the black-and-white categorization that I am establishing for the minister to make my position absolutely clear on this.

I would suggest that all of this, the role of the employable welfare recipient as the bottom rung of all the recipients in terms of the amount of money received and the fickle way they are dealt with in government policy, is part of this government's and the federal government's whole approach to the politics of unemployment.

This brings us back to the bishops' approach to the morality of the idea that high unemployment is acceptable at a cost. One of the most cost-efficient ways of having unemployment is to have people on welfare, because of what it costs the federal and the provincial governments. What it costs the federal government, of course, is approximately 50 per cent of what it would be putting in for unemployment insurance payments.

What has happened over the last number of years, as the general welfare levels have slipped against inflation, is that the real costs of food and housing have been moving higher and higher while the amounts to welfare recipients have remained stagnant, with no increases at all. Instead of going to universality and the notion that government should pick up this kind of money for basic needs, we have gone to the point where the voluntary sector all of a sudden is expected to pick up basic needs.

The voluntary sector is expected to pick up

housing needs. The missions in Toronto are expected to provide emergency housing for people, not for a day or for two weeks, but for nine months or maybe a year, which is now the case in Toronto. Places like the Scott Mission in Toronto are even asked to pick up the food costs for people. That is what has happened over the last number of years.

Who is that for? It is for the general welfare recipient who has been dumped, essentially, and who is without adequate resources and without political clout. I would suggest it is all part of a general government morality and political philosophy about the acceptability of putting human beings through that.

My little experiment in September was a stunt, a very artificial exercise, but it brought me—

Mr. Bradley: Lots of ink.

Mr. R. F. Johnston: Lots of ink, yes. It also brought me a reawakening, I hope. I remember that the member for Brant-Oxford-Norfolk (Mr. Nixon) thought I had lost my sense of humour during that period as we had one or two nights of argument or of interplay in here, but it really made me very aware of how callously we can treat people in this province: that it can be acceptable for months and months, until somebody goes out and makes it an issue, to allow people to sleep on the streets; that it can be politically and morally acceptable to have people eating their one meal a day in a mission in Toronto in 1981, 1982, 1983.

By God, it was a major reawakening for me in my politics and my priorities as a critic, because in Community and Social Services one can spend one's time running after issues everywhere: the closing of White Oaks, the deinstitutionalization of the mentally retarded. Issues arise all the time; it is just a pot-pourri of things that go on. I have decided I am going to focus on this issue because it is so basic and because of the morality involved.

I think it is really important to talk about how far people fell behind. Since February 1981, a single welfare recipient has been expected to get by on \$266 a month maximum. Very few receive the maximum. The basic rate was \$216 plus a maximum of \$50 in supplementary accommodation assistance. That is \$3,000 a year or slightly less on which a person was expected to get by in 1982 in a major metropolitan area like Toronto. They had had no increase in the fall of 1981 when the rates were increased for other groups; they were expected to subsist even

longer. When other groups got seven per cent, they got nothing.

What does it mean when one is getting by on that much money? It means essentially that if you are lucky and you get cheap accommodation of \$150 a month you have \$50 to eat with; and if you are not lucky and you are paying the going rate in Toronto of \$50 a week for accommodation, then you do not have any money at all for your food—maybe \$15—so you have no choice but to take a march from wherever your lodgings are up to some mission to grab a meal every day. That is what we have allowed it to come to. They have lost something like 47 per cent against inflation in a five-year period, and there was no rush by this government to jump in for those people.

Family benefits recipients, women and single mothers in general, lost 27 to 30-odd per cent against inflation during that period. They were the next worse off.

Let me read some of the rates, Mr. Chairman, just so you can see how inane it is. A single senior citizen before this latest increase could receive \$529 a month in Ontario with the combined assistance that they would receive; a single disabled person could receive up to \$414; a single employable could receive \$266; a single unemployable—that is something like a former psychiatric patient—could receive \$288 a month. Why that extreme range with respect to what are basic needs for people to get by on? Even if you accept the notion that a senior citizen has a long-term pension that you are trying to commit and he has been paying into it, what is the rationale for that person receiving \$115 a month more than somebody who is going to be disabled for the rest of his life? It is incomprehensible.

But to expect a couple with two children on general welfare to get by on \$7,380 a year, which is what we were expecting, with no increase dating back about 18 months at the time that I started that month, is as close to politically criminal as I can imagine and is certainly immoral.

9 p.m.

We have had increases. I will come to those in a minute. In my welfare experiment, my attempt to draw attention to the issue, one thing I learned was that in effect I focused on the wrong thing. It is not a question of how much food somebody has; it is a question of the cost of housing and the lack of available, affordable housing. That is the real issue in terms of people at the bottom of the income maintenance scene.

I was told tonight there is a lot of housing in

Toronto compared with Prescott-Russell. However, I would suggest there is not a lot of public housing and affordable housing available to people on welfare in Metropolitan Toronto. I do not think the minister will disagree with that.

I learned that the reality of our approach to welfare assistance is that we deliberately do not give people enough money for accommodation. By deliberately not giving them enough money for accommodation we guarantee they have to take money from their food or clothing budgets such as they are, a basic amount, and use that. I think that struck me the most.

It was almost amusing, if it was not so tragic, but in late September a woman called me who had just run through her unemployment insurance. She had gone to the welfare office in Scarborough and asked how much she would receive. She was told she could get \$266. She went out and looked for housing. She phoned my office again and said: "I have looked everywhere and I cannot find an apartment for \$266. They are all around \$300."

My assistant had to say to her that the \$266 was not just for the apartment. That was the total amount she would get to eat and for accommodation. There was a mixture of laughing and crying on the other end of the phone. It was just so ludicrous, so totally out of touch with reality in Metropolitan Toronto. It is not just Metro Toronto; it is the same in Thunder Bay, Ottawa, Hamilton and—

Mr. Haggerty: The Niagara region.

Mr. R. F. Johnston: The Niagara region, I am reminded. That is the real problem.

Now there is a brilliant little move by the government, deflecting attention away from the dismal failure to provide enough affordable housing in the province and make it accessible to these people, which is another matter. We are now talking about providing emergency housing, giving a little extra money to make sure there is enough emergency housing over the winter for these people.

That is not the issue. It is good we are providing something for those people who last winter were sleeping on the street. I am delighted about that. I would never again want to experience walking down those garage stairwells at city hall and seeing people sleeping there. It was a disheartening thing to experience.

I am glad we got the emergency housing, but to make it seem that is now dealing with the housing issue, which is what we are getting, and that somehow the programs of the Ministry of Municipal Affairs and Housing for assisted

housing around the province are doing anything at all in Metropolitan Toronto to help us with our waiting list for the Ontario Housing Corp. is just ludicrous.

We need an immediate move to create many more houses for people on welfare in Metropolitan Toronto. I am sure the minister will confirm that a person who is single and employable on welfare in Toronto is not even eligible for public housing. Is that true?

Hon. Mr. Drea: You are asking the wrong minister.

Mr. R. F. Johnston: The minister says I am asking the wrong minister. I guess this is where I come back to the morality of the question. One can divide it up and compartmentalize the responsibilities, but I say it is a governmental and a legislative responsibility. We have allowed this crisis to come about where there is a situation where a member like myself, who could help somebody get into OHC a year and a half ago, now finds it totally impossible.

People have been doubling up and tripling up with other people for nine months, four or five kids in a two-bedroom apartment waiting to get into Ontario Housing. I cannot do a darned thing for them because one cannot move it. There are just no spaces and the waiting list is so long.

It used to be that you would argue one really difficult case, get that one through and hold back on some of the others that were not quite so desperate. But my God, I am now just swamped with desperate people and people who have been in that situation for six and nine months, and these families are just busting up because of it.

It may not be specifically the responsibility of the Minister of Community and Social Services, but it surely is his to advocate some change. If he does not advocate the change then he is failing the people he is supposedly responsible for, to whom he is supposedly giving the basic-needs income for housing and food. He cannot do his job; he is failing those people unless he provides that kind of housing.

Let me deal with some of the increases that have been brought forward. There has been a five per cent increase on the basic rate for somebody on general welfare. I remind members again that February 1981 was the last time those people saw an increase. This newest increase was November 1981. That is a lot of months.

During that time the consumer price index went up something like 26 per cent. The cost of

a quart of milk went up 30 per cent. We have said that for their basics, for the food component, let us give them five per cent. For some reason or other we give \$11 a month more to those employables—not all of them: I will make that clear in a moment; they do not all get that—who are living in profit housing, and we are adding \$25 more for shelter subsidy.

So the minister can say he is increasing a maximum of 17 per cent, a major increase for that group, and that is true for those who can receive the maximum shelter subsidy. If you happen to be a person who is living with family or living in nonprofit housing and who is not declaring that essentially as income for taxation purposes you will not be eligible for anything except the five per cent increase.

The increase was more like four per cent this year in some of the estimates I have done for people who live outside the Metropolitan Toronto area. When one factors in their overall costs and where they already were in terms of the existing shelter subsidy—which I will come to in a minute—the actual increase in terms of their average housing cost was more like four per cent in places like Kitchener and perhaps London. It is not the most generous of gifts by this government.

I just cannot stop myself from comparing the \$52 million increase we gave more than 100,000 people—I presume—

Interjection.

Mr. R. F. Johnston: It is more than that. It includes all the Family Benefits Act ones as well, so it would be a couple of hundred thousand people. We gave them \$52 million in a year when we were giving about \$200 million dollars to 14,000 and some doctors out of the public purse.

I do not think we can look at this just on the basis of who has the power in this system. We have to look at it as political morality, and that, in my view, verges on being immoral. I am not attacking for a second the worth of the doctor. I am just talking about the comparison between what we are doing about poverty and people's right to feel that they have equal status in our country, that they have dignity, that they have self-worth and the average we have given the doctors.

I do not think many members in this House understand how the rent subsidy works. The rent subsidy sounds like a great idea. Now people can receive up to \$75 as a single employ-

able, a \$75 subsidy on top of the normal allowance to go towards housing costs.

9:10 p.m.

But do most members know—I do not believe they do—how the system is set up? These are people who have no other money. Let us understand that. One cannot get general welfare unless one has no other money. That is one of the basic things one finds in the General Welfare Assistance Act and the manuals that deal with this matter in the various municipalities. This money is needed for basic food, clothing and shelter.

The system is set up in such a way as to guarantee that one can never have the full housing cost picked up unless those complete housing costs are \$75. If a person pays \$75 a month rent he then gets 100 per cent of his rent picked up. There is no subsidy required. It is part of the basic allotment. If he pays less than \$75 in rent, it is subtracted from the basic amount. It is outrageous but they do.

Can members believe that? As if the basic rate is not low enough they actually subtract it if one is not paying out that much in basic rent. Between a rent of \$75 and \$100, one does not get a cent more. One is not then eligible for subsidy. Immediately, there is \$25 that has to be taken out. If a person is paying \$100 a month in rent, he is going to have to take \$25 out of his food budget and put it against housing.

After it gets to \$100 this rule comes into effect—this is a memo from a social services administrator in Toronto: “The calculation for these new rent subsidies will be the same as in the past. That is, the amount of shelter subsidy entitlement will be either 75 per cent of the excess of actual shelter over the threshold amount,” that is the \$75 I was talking about, “or the shelter subsidy maximum, whichever is the smaller amount.”

It means they give those people 75 cents on every real dollar they have to pay for rent. So if a person is paying \$150 a month rent he or she will get the basic \$75 then nothing for the \$25 to \$100. On the \$100 to \$150 the person will get \$37.50 for that \$50. So if the person is paying \$150 he or she has to reach into the food amount again for another \$12.50 and put it back against accommodation.

Mr. Martel: They are all heart.

Mr. R. F. Johnston: This new \$25 that has been added just goes on top of that and the same 75 per cent thing just perpetuates itself, so that the more shelter subsidy one gets the more he is

actually digging into his food costs. It is ridiculous, it is ludicrous.

Mr. Laughren: It is meant to be.

Mr. R. F. Johnston: As the member for Nickel Belt says, “It is meant to be,” because this has been raised before. I think if every member in this House knew this was the case surely it would be a question of basic justice where we would say there has to be a better way.

If a person lives in Toronto and is paying \$200 rent he is eligible for the total of \$75 on top of the \$75 for rent. He is getting \$150 to go towards his total rent which means he is taking \$50 out of the rest of his money to go towards the rent.

Surely we have to find a better way of dealing with that or people will still be going to soup kitchens no matter how we raise this amount in the future. It is an approach to funding these people that is just totally backwards and perverse.

Perhaps the minister would comment as to whether he feels his policy of not giving subsidies and not allowing eligibility for subsidy to people who are living in nonprofit housing, especially for those living in a family situation, conflicts with the Ontario Human Rights Code. At the end of this I would ask the minister whether or not he has had a legal opinion on that. I would really be interested to hear it.

There are anomalies in this system. There are anomalies in which the regulations are thick for a place like Metro Toronto. There are such ridiculous gaps. We give education assistance. A person can be eligible for general welfare—I will mention an exact case but I will change the town.

A kid who went against the law was put in jail, he went out on parole and was put in a halfway house. While there he was eligible for general welfare assistance while he was sitting there trying to make sure he did not abrogate his parole. He then decided what he would like to do while he was on parole would be to upgrade his education. He wanted to take grade 11 and grade 12 courses. He went to the local community college and registered in one of the courses for upgrading to grade 11 or grade 12. That was a big mistake.

If he had gone to a high school and taken a grade 11 or grade 12 course he would be covered under general welfare assistance. But because he went to a community college to take a course to upgrade himself, which is accepted by the Ontario Ministry of Education—

Mr. Laughren: Or Osgoode Hall.

Mr. R. F. Johnston:—or Osgoode Hall, he was not eligible for general welfare. He was told by the local welfare administrator he had better quit and wait until next year to take the course. The ironic thing in this is, if he had just done this for three months and got his course—which he probably would have done—he would then have been eligible for a Canada Manpower program that would have taken him right off welfare and would not have cost the municipality or the province a cent.

I see the minister shaking his head. I hope that regulation has been changed—it has been a major problem. The member for Sudbury East (Mr. Martel) has a few cases he would like to raise about hairdressing and other things.

Hon. Mr. Drea: They are not going to be changed.

Mr. Martel: No help at all.

Hon. Mr. Drea: They cannot be. They are on a student loan.

Mr. Martel: It is better to have them unemployed forever.

Mr. R. F. Johnston: We will deal with eligibility for student loans when they come in mid-year and what the possibilities are.

There are other gaps and anomalies in the system that are just outrageous. With the new increases received, one would think these increases would be across the board, but I notice that, for mothers of babies, all of a sudden we are giving less money out for formulas. The instructions are that a lot of the formulas that used to be given out in the past are now not even on the list. One cannot get anything for them at all, and the ones that are on the list are actually given less money than was given before for formulas. I guess this is being done as an incentive to breast-feeding. I do not know.

Breast-feeding is great. We cut down on the amount of money we give people on welfare and expect the voluntary sector to pick it up in terms of food and housing, and now we are saying we will cut back again and allow the women to subsidize by breast-feeding. As we all know, it is not possible for all women to breast-feed for the duration of the time a child needs that kind of sustenance. I know this matter was raised by the member for Beaches-Woodbine (Ms. Bryden) in estimates and the minister's response was that he would get back to her almost immediately on it, because he was not aware of the situation. All I know is this is still the case in the city of Toronto today.

I do not want to take forever on this so I will move on. One thing the minister said was that some municipalities are hurt more than others. I agree with that in general terms. The Treasurer (Mr. F. S. Miller) today made it sound as if it was really not a large problem in percentage terms across the province. There were just a few isolated areas. I have not had my researchers do a complete provincial analysis. It is hard getting the information with our resources. I am sure it is easier with provincial computers and provincial staff. If I could just go through some of the statistics around this province, December over December, and not just selecting one area, I am sure I could show they are really in trouble with regard to the numbers of people and the increases.

Sault Ste. Marie is a case where the statistics I have here are slightly distorted. Taking December over December there was an enormous increase because Algoma hired back in December 1981 and as a result that figure seems much higher. But if we take the figure for November over November in Sault Ste. Marie we will see there still was a 53 per cent increase year over year. So even the enormous 222 per cent increase, December over December, which is distorted, does not diminish the fact that before that recall occurred in Algoma the numbers were incredibly dramatic.

9:20 p.m.

Even more important for our own planning now and for the needs of these municipalities is the fact that in the last month, November 1982 to December 1982, there was a 10 per cent increase in that one month and there was already a dramatic increase in November over October. If we extrapolate that over the next three months, when we know welfare is going to be a major cost to a lot of municipalities that have been hit by unemployment, that is a very dangerous figure.

In London, the figure for December-over-December increase is 51 per cent. That is an increase of 287 cases in the last month or 8.49 per cent month over month. The difficulty for any municipality, no matter what its tax base, is that if it is having that kind of an overall increase—a month-to-month increase and an escalation over the next couple of months—it is going to be fairly dramatic.

In Sudbury they are nowhere near the peak they will reach and it is already at 43.75 per cent. All the projections out of the regional municipality there are that the numbers in the next three months will go crazy because of the layoffs.

That is before Inco does its callback—if it does its callback, said he, touching wood.

The minister talked about the difficulties of eastern Ontario with its long-term unemployment. Last year, Windsor thought it had reached the absolute peak and it would never get any higher. It had never been that high. The Windsor figures, December over December, show a 24 per cent increase over last year and they were already at the highest levels they had ever been in December of last year. There was a 5.5 per cent increase month to month. For Windsor, that has very dramatic effects.

I noticed a newspaper column from Essex County. The headline is in the Windsor Star of December 16, "Welfare Load Sinks County into Deficit." It says the spillover into the county has been very dramatic and the effects on the county have been quite extreme. The only thing assisting them is the fact that they have had some savings in other areas in their budget. They are quick to say in the newspaper report that it was not because of cutbacks in those other areas, just a lack of requests for them. I certainly hope that is the case.

Ottawa believes itself very protected from this whole thing. If you look at some of the commentary in the the Ottawa papers, they talk about themselves as being blessed in comparison with other areas. Their increase was 20 per cent over this time last year. In the last month they had about a six per cent increase, month over month.

Thunder Bay had a 31 per cent increase.

Hamilton seems low with an 18.9 per cent increase year over year, but that is 1,310 new cases in that year and an 8.84 increase month to month. That indicates the Stelco spinoffs will start to hit very heavily there in the next little while.

Peterborough is another example of an area that has had a lot of trouble for a long time in terms of income maintenance and the economy in general. It has shown a 27 per cent increase approximately, and in this last month, month over month, the highest increase of any place in the province, 13 per cent.

Oshawa had a 34 per cent increase, a seven per cent increase month over month; Cornwall, 27.5 per cent, 12 per cent month over month; Kingston, 31 per cent year over year, 11 per cent month over month; Toronto, 36 per cent, five per cent month over month. That is 8,410 more recipients as we are all aware from other stories already. In Kitchener, it is up 45 per cent year over year and nine per cent month over month.

I am not just picking hard-hit communities. Those are some of our major communities around Ontario, the ones we could get to in the past few days. I would not suggest, as the minister did, it is a problem for some selected municipalities that may decide to go in and bail out smaller communities like Prescott-Russell if things get bad. If the minister has not made that suggestion then at least the Treasurer has. I would be glad to quote him as saying he is willing to look at that.

I suggest it has some implications in general policy in terms of the effects during a depression or a major recession of this shared responsibility, the property tax base for this part of income maintenance. This provides the minister with the time and the opportunity to have a look at changing our present mode of dealing with that section of income maintenance, and I encourage him to pick it up. I am desperately worried, not, as was raised one day, that municipalities will go bankrupt at all: that is not my difficulty, it is not that kind of money we are talking about.

Hon. Mr. Drea: I never said that.

Mr. R. F. Johnston: No, I know it was not the minister. I want to be absolutely clear about that. I am suggesting that with the diminished amounts of transfer that the Minister of Municipal Affairs and Housing (Mr. Bennett) is talking about, zero to five per cent, with the increased spinoff costs that come up for other discretionary programs, we are going to see large and small municipalities faced with decisions about what other kinds of support programs they are going to maintain in their communities. That is my real concern.

In the projections of Mr. Kruger in Metropolitan Toronto he said there would be a difficulty in starting new discretionary programs and in the voluntary sector. He said there may be a difficulty maintaining the level of municipal funding to old programs because of a 36 to 40 per cent potential increase in his budget which he was not anticipating prior to that. We have had the Ontario children's aid society saying it is starting to see the effects of the recession in its impact on families. It needs increased funding, more than it has received.

Even Ottawa has said in a headline in the Ottawa Citizen on December 3, "Region Leaves \$31-Million Social Services Budget Intact for Now," and is indicating it will have to review that if it starts to get impacted upon as these other areas have been. Another headline reads, "Stratford Agencies to Cut Back as Appeal Falls Short of Goal." That appeal, of course, was the

United Appeal and the voluntary raising of money, and it is not so everywhere. Some areas have been very successful with their United Appeal this year. But that combination for some municipalities puts the question of the voluntary sector very much in jeopardy.

I suggest it is really time now for the minister to look at ways in which we can protect municipalities from these welfare costs as we change our whole approach to how we fund welfare in the next couple of years. I hope that at least we can allow these people sufficient money to be able to provide the other kinds of services a recession demands, and that this recession absolutely requires.

I know the minister understands it is not just a matter of income for people because he has instituted programs, and this government has started programs to assist people to get back into the work force, and to provide them with other kinds of support, education and that kind of thing. He understands a network of services is required besides just income maintenance. I suggest we are at the stage where that sector of things may be in jeopardy if we do not look seriously at changing our present approach.

As the minister knows, my approach on this is that we should split it up in two terms, one for short-term assistance immediately to municipalities. My suggestion—and I am not ready for this, it is just one I have recommended as one approach that could be taken—is that the level of responsibility for the municipalities be left at the September 1 rolls and that anything above that be assumed by the province in 50-50 sharing with the federal government.

There are other approaches that could be taken to this on a short-term basis to help the municipalities, but I would like to see more of an across-the-board approach than a selective approach to municipalities.

9:30 p.m.

I have written to municipalities across Ontario suggesting one approach and suggesting that this should be the time to review the question as to whether welfare should remain on the property tax rolls. I have also asked for support, which is probably away out of line, for my notion of having a major public review of the entire income maintenance structure in Ontario: we should have either an all-party task force or a major commission that would look publicly into the question of income maintenance in Ontario.

As the minister knows, most municipalities are not NDP-controlled for the meantime.

Mr. Piché: May the Lord forgive us.

Mr. R. F. Johnston: These things may change. I am sure there was a great deal of suspicion about my letter in terms of our partisan structure versus their closet partisan structure, if I can put it that way.

Mr. Boudria: The member for Fort William (Mr. Hennessy) sent us a covering letter.

Mr. R. F. Johnston: Yes, but he made copies available to people.

I have been really pleased with the response to date and just in terms of it being put on the agendas and being discussed either at council or by social services committees.

I have had positive responses from such places as Sarnia, Guelph, Timmins, St. Catharines and Sault Ste. Marie. Durham region had already taken the initiative, actually almost coincidentally of what I was suggesting, in terms of lobbying the Association of Municipalities of Ontario to do more.

I have had responses from Etobicoke and East York. I have the motion from Etobicoke here. They supported the motion and added an amendment, which is not a bad amendment in my terms. I will go through these for the minister in case he has not received them at this point.

Most of them have responded, and I really am pleased that they did. Belleville and North Bay responded. London has done it really nicely. I really like that one. They said: "We agree with the basic concept involved, and AMO agrees with the basic concept involved, but we don't go around supporting individual positions on things; so we will not support you specifically, but we support the content of what you are saying." I like that one a great deal.

At any rate, the responses have shown a variety of approaches, and one might say, just from a self-serving base to this, that the municipalities might automatically say yes to the approach. I do not think that is the case, however, and I really disagree with what the Treasurer was saying that way today, because they have been in discussion through AMO and directly with ministers of the crown for years and years about income maintenance and about welfare. I think many of them have expected to maintain a role in the administration of it and have expected that there would be no change in terms of property tax base. I know even some of our NDP candidates, when I suggested they take

this on in the last election, suggested there would be no point in it because they would not get anywhere in doing it.

But the Etobicoke council, for instance, which supported the motion that the province "assume 100 per cent across for all employable welfare recipients on the rolls as of September 1," added an amendment, which was: "And, further, that the province be advised that this request is made with the understanding that general assistance grants and any other conditional grants will not be reduced or abandoned." That is the amendment they put to it, which makes some sense from their perspective, I am sure.

Mr. Cooke: Which is just a commentary on past performance.

Mr. R. F. Johnston: Exactly. They are afraid of a little quid pro quo bargaining, I am sure.

Brantford made a very interesting and detailed response. I do not think the minister has had this one; I will be pleased to send it to him if he has not had it.

They basically took my suggestions just as a benchmark to start discussion, by the look of it, and then raised a number of other things. One, they passed a motion: "The position is as follows: The province assume 100 per cent funding for costs beyond the previous five-year average." That is the way they wanted to do it. Then they showed why that was so beneficial to them. "In our case, this is 708 cases versus the September 1 case load, which was 1,440."

That is not a bad approach to it as well, and I am sure most municipalities would like it. I was just looking for something that might not be seen to be unrealistic. Most September amounts were higher than the last year's totals. As a result of that, it would seem a logical time to start it.

"That the province provide assistance at their cost in the form of manpower during peak periods of GWA claims. That the province would provide proper cash flow or alternatively recognize carrying charges for subsidization. Fourth, that the province subsidize all costs associated with the administration of the GWA Act." I know they have had a long, ongoing discussion with the minister in terms of some of the carrying charges, etc.

Some of the others were very straightforward in terms of their support. Some did not get involved in the question of whether there should be an all-party task force or an all-party committee, feeling that was not in their jurisdiction and they had no right to comment on it. But the vast majority have received it in amicable terms and,

as I have said, the municipalities I have mentioned to this point have agreed with it.

Many of them—Toronto, for instance—are still studying the matter. The region of Niagara had a number of questions for me, as did Haldimand-Norfolk. The chairman of Metropolitan Toronto in his response to me basically said he was open to discussion but did not go much further, except that he said in paragraph 3 of his letter, and I think it is an interesting point in terms of a philosophical discussion of the long-term question, "I agree that real property taxes may well be an inappropriate mechanism for funding to any extent a scheme for the redistribution of income." That was more than I had expected from the chairman of Metropolitan Toronto.

The response of AMO in a letter to me was essentially that its "health and social services committee will be reviewing the entire question of municipalities' contribution to general welfare assistance and your suggested courses of action will certainly be brought to the committee's attention." As we know, that is a slightly longer process, but I was pleased with the general response.

The mayor of Ottawa indicated support and the matter is still under discussion. Places like Guelph, Sault Ste. Marie and Sarnia automatically adopted the resolution—after discussion, I must say. I was pleased it was the result of debate. There also has been some editorial support in a couple of areas which I do not think requires going on about at this time.

The reason it is important for us to look seriously at subsidization of the municipalities in immediate terms is one I have already spoken about, which is concern about full services over this winter and next year in terms of their budgeting process. That kind of money—which could be \$15 million spread across the province, or maybe a little more, depending on how high these rates jump over the next little while—would be a useful thing for the minister to endorse, with whatever variations he would want, but with some acceptance of the principle that they deserve assistance and are not the level of government that should be bearing this burden. It is not appropriate for them to bear this burden. It is something I would hope he would accept.

The need to cut off the property tax is something I have already spoken about at length. It does not make sense in my view for this one group to be left on a regressive property tax base for income maintenance. It plays them

off and makes them victims of different political aspirations at different levels of government. It is something I would hope the minister would move to.

We would not be breaking new ground. We would not be the great pioneers in this area. There are already seven provinces that have moved in one form or another to a more equitable system of funding welfare. Some have done it on an absolute 50-50 basis in terms of the federal government. Some have done it on a quota basis, as Saskatchewan has. It still works out to about a five per cent request rather than the 20 per cent, because there is a low ceiling on it.

I suggest it is time for Ontario to look at this change as well. If British Columbia under Bill Bennett could look at this last April and make a major switch away from its old funding process on this, it is time for the government of Ontario to do so too. As the minister knows, the government of Manitoba is at present undertaking a review of its policy, Manitoba being one of the three provinces that have not moved towards this in the past. They have opened up.

9:40 p.m.

The reason my suggestion for this kind of a process is important is that there are so many groups affected by this in terms of the municipalities and the different kinds of capacity to pay into organized extra services, in terms of the voluntary sector and the kind of burden that falls on them and what this would mean in terms of our taxation changes, that I think it needs to be done, not as a decision by the minister and his deputy and somebody else in the ministry who then passes it to cabinet, but in an open forum around the province before it takes place.

I think it is important that it be done as the task force on social assistance has been done in Manitoba. That task force was established last summer. It held hearings last fall and looked into the whole question of the costs of meeting basic needs. Their review will examine the present two-tiered social assistance structure in Manitoba in which municipalities provide assistance to persons who are ineligible for provincial assistance.

In this context, the task force will examine municipal inconsistencies related to availability levels in terms of social assistance—some of the principles I have raised tonight—and the discretionary authority to consider the granting of municipal assistance as a debt owing to the municipality.

There are other elements they are looking at

in terms of the definition of the physically disabled, in terms of getting away from some of the other kinds of discriminations, such as on the basis of sex, that are in some elements of our income maintenance programs. That review is taking place in public, with hearings held around the province of Manitoba.

I suggest that is exactly the style of format we should use in Ontario. We should open this debate to a broader discussion than just our own private debating club that we have here. We should involve all those people who will be affected by any change in a debate as to whether the kinds of changes I am talking about, or those that have been done elsewhere, are the sorts of things that should be introduced in Ontario.

I will come back, if I might, to the question of the morality of this. There should be some major public concern in this province, and I believe there is, about our levels of support to people and about where our present system has brought us in terms of inconsistencies and the kinds of humiliations and pressures imposed upon people who are in the lowest level of income maintenance that we have in this province.

It behooves us all to move at this time to assist those people. "These are tough times. There are limited amounts of money." We hear that on a regular basis. We have to set priorities in how we help people.

In my view, now is exactly the time in terms of the public political morality for us to move in this area and make this one of our major concentrations. It is not just a question of finding some work on a four- or five-month basis with federal assistance for these individuals for six months, or whatever the temporary help program undertakes, while jobs are created later on. It is not just a question of getting those people back into the work force, although that is the long-term solution. If all these people were working—or the vast majority of them, those who can work, the employables—obviously we would not have the kind of crisis we have today.

There is also the very human tragedy that is going on from day to day in this province. There is the pressure and the terrible anxiety felt by people who are trying to exist in our province on the present dismal amounts of money they receive. That needs to be addressed now, and in a serious fashion. We have not done that in this province, and I think it is time we did. No matter which of the scales one wants to look at, there is no excuse for our being in the second half, the lower tier, with regard to levels of assistance to

groups on general welfare, among the provinces of this country. There is absolutely no excuse for that and it is time we acted on it.

I do not believe I accomplished a great deal during my welfare month besides perhaps some resuscitation of my own beliefs. I do not believe the response that came through with the ministry's changes in the amounts of money reflected a major change—some change but not a major change. But I did detect one thing I am very pleased about, and I hope that by working together in this House we can maintain it and push it forward. I noticed a change in people's attitudes to people on welfare. I am not taking the credit for that change.

In part, I might have had something to do with sparking it a bit, but I think it has more to do with the fact that people know people who are unemployed; people know people who are going to run out of their unemployment insurance; people know people who are not layabouts, who do not want to rip off society, who are about to go or have just gone on welfare. Their attitudes towards people on welfare have changed dramatically.

Most of us do questionnaires in our riding reports. I asked a question about people living below the poverty line. The riding report came out in October, almost at the same time as the minister's announcement of increased money came out, and the responses came back mostly in November. The question essentially was, "Should the government be doing more to help the poor?" If I had asked that question in August, given some of the other questions in the questionnaire, I would have had a very low response saying yes; there probably would have been a majority, but only a very slight majority, of people who would have said yes to that kind of question. But in this response, out of 466 respondents 324 said yes, we should be doing more, 103 said no and 39 said they did not know.

This is not, as members know, anything like the kind of figure you should base public policy on; I would never suggest that. I only use it anecdotally and I would like to attach it to another one, if I might. That is, if I had bet any of the members in August that I could go on a radio show and a TV talk show in Hamilton in the course of a couple of days and over approximately an hour and a half to two hours of radio and TV time, one during the day and one at night, knowing how they try to cull the calls to get some confrontations going, I would have had only two people who said there should be no increases—because the question was essential-

ly, "Should there be increases to the general welfare rate?"—I do not think any member would have failed to bet me at least a bottle of Scotch, and perhaps more, that that would not be the case.

Members might have expected a majority of people to say yes, but we all know the huge backlash there has always been against people on welfare. If there has been one change, I think it has been to an attitude that is much more open-minded about seeing major changes in the system.

I do not think the minister needs to feel constrained by a five per cent portion of the provincial budget to assist individuals. I think he needs to look very seriously at a major expansion of assistance done, I hope, in the public fashion that I am asking for. I would very much like to hear his response to those requests tonight.

Hon. Mr. Drea: Mr. Chairman, I would like to point out to the honourable member that I do not know where he gets the five per cent or the less than five per cent, because my total budget is now well over \$2 billion, and I think that reflects, when you take into account the fact that much of it is in the non-income-maintenance area—nondirect-cheque area, let us say; and he drew attention to the fact that all kinds of support networks were needed in addition to that—we are above the five per cent. I do not know what preoccupies him with that, but let us just correct it.

For quite a while tonight we have heard an Engelsian approach to poverty. That is okay.

Mr. Cassidy: Who?

Hon. Mr. Drea: The other half of the combination.

I do not necessarily adopt some of those approaches, but I would like to point out that there is a lot of morality in this government. I could take some pokes at lack of morality in certain of the approaches from across the floor. Of course, we are talking philosophical morality. I never make remarks about people in terms of morality, even though, for some peculiar reason, there are those associated with that organization over there who think this minister is fair game.

9.50 p.m.

I want to put on the record the question of raising the permanently unemployables to the full disabled rate, and I think the honourable member will be agreeable. I did that as a matter of fundamental morality. The member knows

why I did it. His partner the member for Bellwoods (Mr. McClellan) knows why I did it. I explained it quite carefully in my estimates, that if I ever became the minister of this portfolio, the spread between the PUE and the disability rate would end. I did it. To me that is a matter of fundamental morality. So that member is not the only holder of morality.

Mr. McClellan: That is the first and last thing he has done as the minister.

Hon. Mr. Drea: I think long after the member is a departed political person they will remember many of the things that I did, and he knows he will soon be departed.

Mr. Bradley: He is an overnight guest.

Hon. Mr. Drea: He is not an overnight guest but he is soon to be an overnight case.

When talking about the morality of certain programs, I wonder how many municipalities, if they were advised in that congratulatory letter that went to every councillor saying, "Congratulations on getting elected, and by the way, here is a little program you may be interested in"—I think that is a summary, in addition to what the member has given—how they would feel if on the record that party stands for 100 per cent of municipal welfare being paid by the province and the federal government. It did long before this, and essentially, this thing being put out in a letter is a suggestion that now is the time to look at what is a rather significant, if temporary, retreat from that position. I really wonder how many would be pushing it on that basis.

If the members really want the property tax removed as the 20 per cent share of municipal welfare, then why not say so? They said it in here often enough before that letter was ever sent. Now they are pointing out, why not have a benchmark in September? We will take it off here and gradually go towards 100 per cent as the second point. In the meantime, let us have a royal commission, a task force, an all-party thing.

The only original thing I thought they had in there—other than a complete retreat from what they stood for before—was the fact about the all-party task force or the select committee, or whatever. Now I find it is a direct copy of what has been going on in Manitoba for some time. Believe me, that may be the final disillusionment of the season.

Mr. R. F. Johnston: I am sorry.

Hon. Mr. Drea: I would appreciate not being interrupted. I did not interrupt the member. He gave a great paean about the need for a more

moralistic approach to poverty. I listened to him. There were some things I found interesting. There were other things I did not find so interesting, and I think that is a fair approach.

The Liberal Party critic put forward a far more objective, meaningful and practical approach towards dealing with the municipal problem both in the short term and in the long term. I said that to him some time ago. The minister has been looking at the problems of the municipalities for many months, long before the impact of social assistance, both direct and indirect. He made a good point about the indirect clause.

I do not want support programs or other programs dropped because of the income maintenance cheques. Indeed, we have been looking at things we might be able to do, and I am still looking at them, but not in terms of a September benchmark; a September benchmark would not be much assistance to many of the hardest-hit municipalities in this province, because it would perpetuate the levels that were going on before that. In short, I regard the September benchmark as a rather trendy thing, and we reject it.

With regard to an overall look at social assistance, I think we have been doing that. I think the priority need at the moment is to look ahead, but not necessarily at the next two or three months. I think I have looked very much ahead going into January and February. There was even a reluctant admission from the member about the emergency housing and certain other things we have been doing this winter.

I think the crucial time for a look is some time in the spring. Some time in March and April there has to be a very objective look at where we are going as a country with respect to the entire economic situation, where we are going as a province and, indeed, what the impact is on the municipalities.

There is job creation out there. How successful job creation will be in two areas, I know not, but I think I will have a pretty good idea in a month or two. Those two areas are: How many exhaustees has it prevented from going on to the local rolls? And has it removed anybody already on the local rolls, including those who have disappeared from the Unemployment Insurance Commission combination of potential exhaustees, exhaustees looking for work or whatever? I think the member will agree that those are things that have to be really looked at in the foreseeable future.

One of the things the member did not mention in so many words was the fact that we also

have to look at certain areas of the province, because right now they are being sustained about 95 to 98 per cent by unemployment insurance. I am thinking particularly not only of the Sudbury basin but also of Cornwall and a couple of other areas where the list of exhaustees, or at least the utilization of unemployment insurance as a major cushion, is going to have to be decided somehow or other.

Now, if some of the things I was concerned about last September when I talked to the Association of Municipalities of Ontario about the exhaustees come anywhere near to reality, then I think we are going to have to look in a very significant manner at a number of very large municipalities, particularly in eastern Ontario and in the resource industries of the north. If that does not come to be, then I am hopeful that through a combination not only of other benefits but indeed of recovery, or at least a very good start towards recovery, that puts the matter in another perspective.

Again, one of the problems in all this is that the category of the single employable is skyrocketing on the rolls far more than any other. The family is not; the female is relatively static. If that situation continues, then obviously there are certain other courses that are going to be somewhat incumbent upon us at that time.

I really think the months of March and April in this country, in this province, in all the municipalities and in all our economic life are probably going to be the most significant since the war. I think there can be a true measurement taken out of that, or at least enough of an indication to see where we are going.

One other area the member raised, and I would like to set the record straight on it, certainly is not the broad-stroke area we have been discussing tonight but is the question of someone who is enrolled in a community college program asking for social assistance.

As the member knows, the rules are that where you are in receipt of or eligible for receipt of one government allowance, which is the student loan or whatever, at the community college and the university level you are precluded from general welfare assistance. As he knows, you are not precluded from Family Benefits Act assistance, provided certain conditions are met, but I do not really think he is talking about that.

That may be a disparity in the system, but it is something that has not been designed by this part of the system. From time to time, on the basis of emergency or something else, as he

knows, things can be done; but short of changing the present system of funding, I think the member would agree that at the university level he would not want to change that in terms of the loan.

It may very well be that in the future, on the basis of the fact that community colleges more and more are used for training rather than for occupational training—I am talking about the pure types of upgrading training that the member is alluding to—that may well be an area we would want to look at or at least set up some new parameters, because the entire role of the community college and the people who are in it, or in its programs at least, has been constantly changing.

10 p.m.

Maybe the member does have a point that it may be too rigid right now. I will take a look at it, but I want everybody in the House to know that this is not something that is between two government ministries but it is, indeed, a very fundamental policy. I do not think it is negotiable at the university level, but because of the great mix at the community college and the fact that in the future there will be an even greater mix with upgrading, retraining and all kinds of other things, I think it might, indeed, be very much worth looking at.

Mr. Haggerty: Mr. Chairman, I want to address myself to the minister's supplementary estimates. I want to commend the minister for his concern for those persons who are receiving some form of social assistance.

In looking at the estimates here I see he has picked up an additional \$97 million. I will say that it has taken a lot of courage to go to cabinet and ask for that amount of money, \$97 million, for community and social services. I think the minister should be commended on that.

I know of his deep concern for those persons on social assistance. I know that almost every time I have had a problem he has looked after it for me.

I was concerned about a letter that I had received from the St. Catharines Association for the Mentally Retarded. I was concerned about the additional funding for adult social services. I am sure it relates to the handicapped adults. It reads:

"Since our meeting of October 21, 1981, we have been busy on behalf of the mentally retarded, as we are sure you have been. We have not accomplished as much as we would like and so we appeal to you again for assistance and

direction in resolving our problem of finding suitable residential accommodation for severely retarded adults.

"As stated at the October 1981 meeting, there are a number of severely retarded adults in need of a community residence providing a high degree of supervision. These core-type residences do not exist at present so the Niagara district working group conducted a needs survey and the Niagara region published the results in April 1982. These results indicated that presently 31 adults residing in the region require replacement in an adult core residence, and that by 1984 the number will rise to 47. So the district working group reviewed these findings throughout the summer of 1982 at the request of the Hamilton area office of the Ministry of Community and Social Services.

"When we requested information regarding the status of the St. Catharines Association for the Mentally Retarded proposals for the establishment of an adult core residence we were told no decision would be forthcoming until the district working group completed the work. It is now 1983, and the district working group is unable to state when they will have completed their work. We realize that the mental retardation co-ordinator has left his position recently but hope this will not cause a great delay.

"In a statement to parliament in October 1982 the Honourable Mr. Drea clearly states that while a large number of residential alternatives have been created, few have been geared to the needs of the more severely handicapped. This, clearly, is the case in the Niagara region with respect to the adult retarded population. It appears the ministry is reluctant to give a written statement of their intentions with regard to an adult core residence.

"If you can encourage the minister, let us know if and when he plans to act on the core residence proposal. It would help our anguished in one way or another. If we only knew what the ministry would go along with, we could get on with the job of looking after these retarded people. Many of the parents are getting on in age, and it would be a blessing for the parents to know how, where and when these children will be settled in a residence. We believe every retarded person deserves a proper residence, and a residence is needed for every retarded person so they may have an appropriate home."

This was from the director of residential services, St. Catharines Association of the Mentally Retarded.

During the past week I received a number of

little notes of inquiry to my office concerning the other retarded residences in the province. In some cases they may be phased out. I am thinking in particular of one called the Bluewater Centre. I wonder if we are not going to have the same problem in the Niagara region. The government is decentralizing the larger institutions and putting them back on to local residents. I am concerned about the cost sharing formula that may be involved if the region has to become more involved in this, and that additional 20 per cent would be charged to local taxpayers.

Hon. Mr. Drea: A 100 per cent funding.

Mr. Haggerty: A 100 per cent funding. I appreciate that 100 per cent funding. Perhaps the other members should not have been so critical about the minister when he can come up with a 100 per cent funding. I suggest to him this is a problem in the Niagara Peninsula and also in other areas.

I know that other members want to ask the minister questions related to his supplementary estimates. I do have other comments, but I will leave it at that and hope the minister can respond to that letter.

Hon. Mr. Drea: Mr. Chairman, as that is not really part of the estimates tonight, perhaps at the end of my concurrences I can deliver a report to the honourable member that he could take back with the Hansard, and it will save him writing them a letter. If the member is tied up in another committee or something else, I will do it before the end of my concurrences, which should be tomorrow, and then he will have something to take back showing the matter was raised here, if that is acceptable. It would be more proper there than here.

Mr. Martel: Mr. Chairman, as I listened to my colleagues talk tonight about this ministry, it was as though I was reliving 1971, 1972, 1973, 1974 all over again when I was critic of this ministry. In fact, very little has changed. I always found it amusing that—

Interjection.

Mr. Martel: I have a couple more I am going to ask the minister tonight.

In those days, his predecessor, the Honourable René Brunelle, went off to Ottawa and argued with the federal government that we in Ontario insisted that the federal government introduce a plan of indexing. The government of Ontario, led by René Brunelle, went to Ottawa and argued for indexing in the Canada pension and the old age pension. I saw the

arguments. I was given them and the positions taken by the government of Ontario.

For four years I asked: "You want Ottawa to do this. Why won't you?" We could never get a response, although the federal government, in its wisdom, saw the light and introduced indexing. This government, having led the fight for it, then would not introduce it itself. I have always found that a mystery.

The other thing, going back to those years, was housing rental. Go back and read some of the statements I made then. If one province had any foresight in this whole field, it was British Columbia, which in those days gave subsidies far higher than Ontario did to meet the cost of housing to its residents on welfare. I recall some of the limits being at \$180 then, and we implored this ministry to break away from its silliness.

We have to go back to understand that when the ministry brought in all this assistance it did not do a study of any description that determined what the factors would be leading to a budget for a family; it just grabbed a figure out of the air that had absolutely nothing to do with cost, and nothing has gone on over the past 10 or 15 years to change that one jot.

All that has been done is to add a percentage here and there as time went on. Ontario did not figure out a budget for families on which it based family benefits and general welfare assistance. It did not and it has not. We have implored one minister after another over the years to do that at least, but they know it would cost a lot of money and therefore they do silly things.

10:10 p.m.

For example, one of this minister's predecessors lumped it all together. I remember the days when they were separate. The amount allowed for housing became so embarrassing that they lumped it all together. They said, "We cannot treat our recipients differently from the rest of the public." That was not it at all. It was because they were so embarrassed by the rental amounts they were paying that there was no way out but to lump everything together.

I just draw those comments to my friend's attention. He has inherited that mess, and it is going to take someone very powerful in that cabinet to change it and base it on real budgetary needs, not some willy-nilly figure to which percentages have been added over the years.

I make the point with respect to indexing. It was this province that fought very hard in Ottawa to get the federal government to index. Then it will not index the pensions and incomes

it itself is responsible for indexing, whether it be workers' compensation, family benefits assistance or general welfare assistance.

I want to go back to a topic my colleague raised with respect to funding for students. I have had three cases and my friend knows about it because I have written to him. I appealed one of these decisions to the Social Assistance Review Board and they ruled in my favour, except that Mr. Schaak in Sudbury would not pay.

These are very simple cases of young ladies, 19 and 20 years old, and all three cases were exactly the same. They were from families where the father was not working and there was no income. They got a student loan and went off to a hairdressing course. They needed about \$65 to \$70 a month in assistance. I tried to get it via special assistance because there was no other avenue, just so they would have enough to live on and be able to finish and become self-sufficient.

I was the first to talk about helping women get off the welfare rolls by some imaginative program. Here were three young women who struggled, who needed about \$65 or \$70 a month to assist them to become self-sufficient for the rest of their lives and the local welfare said no.

I took it to the Social Assistance Review Board and won the first case. Schaak refused to pay. I have subsequently taken two more cases, and lost both of them on the argument that the minister presented under a section of the act. But that is crazy.

On one hand, the ministry is talking about encouraging women who have been on welfare for a while to retrain and get back into the work force. Here were three fine examples. The Ministry of Colleges and Universities had given them grants and loans, but they were insufficient to carry them for a year without some help from home and none was available. They needed a few bucks and were turned down. To the credit of all three young women, they struggled and they are working today.

I have it on my desk to draft a private member's bill on this, because it is crazy. It is not only crazy, it is stupid. It defeats what this ministry says it wants to do. They cannot all be lawyers, doctors and professionals, who are going to get all kinds of assistance to go to university and do post-graduate work. This is pretty basic stuff. So help me, it is so silly.

I want to turn to my friend in Sudbury for three more cases and I am asking the minister to help. I have had two young women come to me

within the week. One of them had throat surgery last January and she is still coming to Toronto for treatment. She is on welfare and living at home. She gets \$94.10 every two weeks. She is over 21. She comes to Toronto and for that they give her a flat \$60. Do you know what the bus fare is? It is \$60.80. She gets on the bus at midnight and spends all night on the bus. She has to find her way around Toronto, but she is not given one cent more for transportation down here and nothing for meals all day and she goes back home that night on the bus at 5:30 p.m.

I went to them last week and I said: "For God's sake, the \$60 is used up in transportation. What about her food?" Do you know what they told me? Out of the \$94.10 biweekly that she gets, she has to take her food allowance for three meals here and her transportation in Toronto. The second one is even worse. He has never cleaned out that pack of rats in Sudbury.

When I talk about Paul Schaak, I make it abundantly clear who I am talking about. He is the man I asked be dismissed 10 years ago and he is still there.

Hon. Mr. Drea: The honourable member is asking me to go into uncharted waters because these are not mandatory cases. He expects me to get what I already know he could not get or he would not be here dealing with this tonight. It might make my role just a little easier and save what is left of my ulcer and a few other things if the language regarding the local authority was somewhat more temperate. I leave it up to the member.

Mr. Martel: I will tell the minister without being intemperate what has bothered me.

I have watched for 10 years. His predecessors sent some of their top people to Sudbury over and over again. When a man will watch a nine-year-old child suffer in absolute agony with dental problems and his way of forcing the old man back to work is not to get dental care for a child of nine years old—René Brunelle sent a number of people including Dominic Alfieri and, before him, Dr. Williams who went to Sudbury and ended up there for a while. We had some of the God-awfullest battles. Every time it comes to this sort of problem, one cannot abstract it.

Let me tell the minister about the other young girl. She is 23 years old with chronic bowel problems. Her bowels have been removed and she cannot work. She comes to Toronto. For the last trip they would not give her any money. She

was leaving last night to come again. She receives \$87 at home.

This is the same sort of problem. There is nothing humane about it. There is nothing humane that puts a very ill young woman on a bus all night, has her in Toronto where none of her—I come from out of Toronto and when I first came here it was difficult for me to get around, but this is somebody who is ill who is supposed to find her way around to a hospital, is supposed to eat and is supposed to do it out of the \$87 budget for two weeks—use that budget.

I deliberately raise it tonight because I advised two board members who are friends of mine that I was raising it, hoping they would get at this fellow because it is totally inhumane. I will give the minister the names of both these young women. If he wants, I can phone them to his office tomorrow, but surely something has to be done to prevent that sort of thing from going on.

That is the anger I feel. For all my years in this Legislature, that man has been in charge of welfare up there. It has been an ongoing problem. The minister knows it and his predecessors knew it. I will not ask him to comment because I suspect it will get him in hot water, but I have commented because I know someone will send a copy of what I said. He loves me, as the minister can tell.

Hon. Mr. Drea: You are not going to get me in hot water.

Mr. Martel: I am not going to get him in hot water. That is why I asked him not to comment.

Hon. Mr. Drea: You will not get me in hot water, but you will never get another winner.

Mr. Martel: I tell my friend that I have been fighting this man for 15 years because he has never shown any capacity for anything that was humane. I will send those.

Finally, might I ask the minister one question? Someone on general welfare is forced to move and he goes to another establishment. He does not have a residence per se. He is leaving a house, going to take up a room in a lodging situation until he gets his new address. They will not provide any assistance. What is he supposed to do—sleep on the street until he gets a new residence number?

Again I went to them and they said, "Have the man phone us." The field workers accepted the idea of giving him a week's emergency, but when it went to the upper Pooh-Bah it was out the window.

10:20 p.m.

Again I ask the minister, what do we do with people like that? I appreciate the minister's help. He has given me a lot of help in many of these case loads, and I appreciate that. What I am trying to struggle with is how to change the system to make it somewhat more humane. That is all.

Hon. Mr. Drea: Mr. Chairman, under the particular circumstances, I might like to give an opinion at some other time. However, I would draw to the member's attention that quite often when things are brought to the knowledge of the authorities it is in an objective, friendly manner that so aptly describes the approach of the minister. Upon occasion, there is a remarkable meeting of the minds. I may correspond with the member concerning—is it two cases or three?

Mr. Martel: Three.

Hon. Mr. Drea: If he would give those to my deputy minister or my staff, when I have those matters in hand, I may correspond with the member.

Mr. McGuigan: Mr. Chairman, I would like to spend the last few minutes talking about a program about which I have had a running correspondence with the minister, that is, the handicapped children's benefits program. The problem seems to be an old problem, using as a base in calculating benefits under the handicapped children's benefits the gross income that shows on the income tax form. I do not know the particular reasons for that, although the minister has given me some in his letters. I am not debating that particular aspect of it, because he may have counterbalancing formulas in deciding the eligibility for benefits on the other side of it that may to some extent counteract that base.

But it does get us into a lot of trouble using the gross income situation when we deal with small businessmen or farmers who might have a situation where their gross income would show \$35,000 and their actual net income from the year's operation could be down around \$5,000 or \$6,000. In fact, I have a case where one chap had a minus amount of \$17,000 for his income, yet he is kept out of the program when other people with an income as high as \$26,000 merit support for a handicapped child at home.

The minister wrote me a letter in November 1981 that was rather sympathetic, and I think he outlined that he understood the problem. He says: "Nevertheless, I can readily understand the particular problems faced by people in the examples you have cited and in respect to farmers in general. Consequently, I am refer-

ring your letter to the director of family benefits and asking him to review the situation you have raised, with a view to adjusting allowances on a case-by-case basis more in line with the real income levels."

I notice in the most recent guidelines the minister does mention farmers and small businessmen. I rather like to think that perhaps this was brought in as a result of our correspondence. But it does not seem to help any, because it says: "If the income received by the parent is derived from farming, business or self-employment, the income liable to be used in the calculation of the net entitlement should be total income as recorded on page 1 of the income tax return." He also used the same words when talking about people who are employed. It says in the paragraph above, "The calculation of total income appears on page 1 of the income tax return." So we do not seem to have made any progress.

I went back a couple of months ago to contact one of the individuals and asked what success they had with this correspondence exchange. I have a letter dated December 5, 1982, from a constituent who says: "I met with Mr. Morrow out at the Chatham branch. He still could not get past my gross farm income. I had suffered a loss of \$1,562. I explained to him that \$13,000 was spent for tiling. I made about \$12,000 net income but my total gross was \$34,000 with my family division of crops. I was very upset because I was going through this humiliating experience again. I have told my story several times already and feel very much like a beggar. He told me to leave him copies of my income and that a specialist in their field would look at them."

He was told that the last time. He left really not caring whether or not he got any more support because he was so fed up with having to go through this sort of beggar system.

I have also been talking to the member for Essex North (Mr. Ruston). He tells me that he has a farmer situation—I cannot give you the details but it is basically the same problem that the gross is too large when, in fact, the net income is very small.

I would ask the minister if those changes in the manual are supposed to remedy the situation or are they really standing pat and do we still have this case by case. However, I would hope that the manual could be adjusted so that people working in the field would realize that there has been a change in your attitude.

I sense there has been a change in your

attitude but it does not seem to be coming through in the manual. Not all people stay there, bang the table and demand things. Some just get disgusted and say "I am not going to be a beggar" and off they go. But they do have these very large costs for these children. I hope the minister could comment for a minute or two.

Hon. Mr. Drea: I think we have had a fair amount of discussion, not necessarily with myself but with my area people in the past couple of years on this matter. It is a bit of a complex problem that only affects a certain type of agricultural producer. It is not even common on the farms. However, I think the honourable member makes some very good points because in reality we are looking at what is really the net, although there are some reasons we do not like to call it that.

I wonder if one of the approaches might be that some time in the next couple of weeks he and another member I respect very much, the honourable member for Essex North, might like

to sit down with one of my senior people, take a look at the manual and how that manual might be interpreted.

We are now a decentralized ministry where the western Ontario and London office particularly is making decisions putting out a manual. I think that might be the approach. Let us see if we can get it solved that way. I will be in contact with the member and the member for Essex North, and indeed any other rural member of the Legislature who might have similar difficulties. I think it is particularly germane to western Ontario.

The Acting Chairman (Mr. Piché): Are you ready for the question?

Items 4 and 5 agreed to.

Vote 3102 agreed to.

On the motion by Hon. Mr. Gregory, the committee of supply reported certain resolutions.

The House adjourned at 10:30 p.m.

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Monday, January 17, 1983

Committee of supply

Supplementary estimates, Ministry of Community and Social Services, Mr. Boudria, Mr. Drea, Mr. R. F. Johnston, Mr. Haggerty, Mr. Martel, Mr. McGuigan, agreed to 6535

Other business

Adjournment. 6559

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- Boudria, D. (Prescott-Russell L)
- Bradley, J. J. (St. Catharines L)
- Cassidy, M. (Ottawa Centre NDP)
- Cooke, D. S. (Windsor-Riverside NDP)
- Cousens, D., Deputy Chairman and Acting Speaker (York Centre PC)
- Drea, Hon. F., Minister of Community and Social Services (Scarborough Centre PC)
- Johnston, R. F. (Scarborough West NDP)
- Laughren, F. (Nickel Belt NDP)
- Martel, E. W. (Sudbury East NDP)
- McClellan, R. A. (Bellwoods NDP)
- Nixon, R. F. (Brant-Oxford-Norfolk L)
- Piché, R. L., Acting Chairman (Cochrane North PC)



Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Tuesday, January 18, 1983

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Tuesday, January 18, 1983

The House met at 2 p.m.

Prayers.

DEATH OF JACK SIMONETT

Hon. Mr. Norton: Mr. Speaker, it is with regret that I rise to inform the members of the Legislature of the death yesterday of Mr. Jack Simonett, who for 12 years served in this Legislature as the member for the riding of Frontenac-Addington from the time of his election in 1959 until his retirement in 1971.

During his service in this Legislature, he also served as a member of this government as Minister without Portfolio, Minister of Energy and Resources Development, and Minister of Public Works. Following his retirement, Jack continued an active involvement in his community and maintained a vital interest in the affairs of this province that he had served for so many years.

Jack's counsel will be missed by many people of all political persuasions because, in addition to the many active interests he maintained in his retirement, he always maintained an accessibility to those seeking the benefit of his advice and his experience.

I am sure that members of this Legislature, particularly those who have served with him, will join with me not only in acknowledging the contribution he made in service to the people of this province but also in extending our heartfelt sympathy to the members of the Simonett family.

AMATEUR ATHLETE OF THE YEAR

Hon. Mr. Baetz: Mr. Speaker, I rise on a matter of great pride in the sports development of Ontario. This morning I had the pleasure of announcing the outstanding amateur athlete of the year for Ontario during 1982. We had a very long list of deserving candidates. Among the 14 athletes given final consideration for this award, this province had no fewer than eight world champions in their respective events.

I am proud to announce to the Legislature today that the Ontario amateur athlete of the year is Milt Ottey of Scarborough. Milt won the gold medal at the Commonwealth Games in Australia in the high jump event and was

recently named the world's top high jumper in 1982. Milt is in your gallery, sir, and for Ontario, I would like to convey my sincere congratulations and wish him, on behalf of us all, best wishes on his road to the 1984 Olympics.

Mr. R. F. Johnston: Mr. Speaker, as the member for Scarborough West, I would like to state the pride that people in my riding feel about Milt's accomplishments over the past number of years and especially this past year. It should be noted that he is only slightly taller than some members of this Legislature here on my left, yet he has been able to jump higher than anybody else in the world this year, and I think he is to be congratulated. I just wanted to join in.

BOILER EXPLOSION

Hon. Mr. Wiseman: Mr. Speaker, as most of the members are probably aware, this morning at approximately 10 a.m., an explosion occurred in the Whitney Block in the No. 2 boiler. As a result of the explosion, there was an escape of steam and oil disrupting the operation of the boilers. There was no personal injury as a result of the explosion; however, one employee working in the boiler room at the time was shaken up by the occurrence.

The incident activated the fire alarm system and the staff located in the building responded and followed the fire and safety evacuation procedures in an orderly manner. The staff of the property management division of the Ministry of Government Services responded immediately, as did the police department and the Metro fire department. I am sure members would like me to thank the members of the fire department and the police department, as well as the people who organized that evacuation and did it in such an orderly manner. As members are aware, we have a fair number of handicapped people in that building and they were the first ones to be evacuated.

Due to the explosion, there has been a disruption in the heating system, affecting the buildings in the Queen's Park complex, as well as St. Joseph's school, Surrey Place and the Banting and Best Institute. The staff in the Whitney Block were evacuated, as I said, immediately and they have been allowed to go home,

if they want to. We will keep members informed of further developments.

Just before I came over here, we did check. There are three boilers in there, and the No. 1 boiler was damaged a little more than the No. 3 boiler. We hope to have the No. 3 boiler going late this afternoon, but I cannot promise any heat until about five or six tonight. We are working through the Toronto steam heat people with whom we were not supposed to connect up until June of this year. If we can get it in place overnight, we will have business as usual tomorrow morning.

2:10 p.m.

RESPONSE TO WRITTEN QUESTIONS

Mr. Laughren: On a point of order, Mr. Speaker: I am sure you will recall before the Christmas break you sympathized with my predicament when I raised the point that the Minister of Natural Resources (Mr. Pope) was refusing to answer questions on the Order Paper that he had indicated he would answer by December 17. It is now a month later and the minister still has not responded. I recall that you said you assumed the minister would take note of the fact that he had not lived up to his duties and would respond accordingly, and I knew that you would want to know he had not yet done so.

Mr. Speaker: I am always sympathetic to the needs of members, and I am sure the minister is going to respond right now.

Hon. Mr. Pope: Mr. Speaker, I signed a letter filing the documents with the Clerk yesterday. They may not have been delivered yet, but they are somewhere in the process.

Mr. Bradley: Mr. Speaker, I just wanted to ask whether there might be a statement from the Minister of Consumer and Commercial Relations (Mr. Elgie). Those who sit in on the committee would recognize that, I believe, boilers and valves are under his jurisdiction. I wondered if he had a statement to make on this in the House today.

Mr. Speaker: I think that question could be put at a more appropriate time.

Mr. Mancini: On a point of order, Mr. Speaker: Concerning the statement made by the Minister of Government Services (Mr. Wiseman), I wonder if he would be prepared to instruct the two Ministers without Portfolio, who really do not have anything to do, to call their limos and have themselves driven over to the premises where the boiler has exploded and review personally what is going on there, so they

will have something to do and something to report to the Legislature.

Mr. Speaker: I really do not think that is a point of order.

STATEMENT BY THE MINISTRY DEPOSIT INSURANCE

Hon. Mr. Elgie: Mr. Speaker, as I reported yesterday, the federal Minister of Finance has increased the deposit insurance for chartered banks and trust companies from \$20,000 to \$60,000. As members know, the deposits of credit unions and caisses populaires in Ontario are insured by the Ontario Share and Deposit Insurance Corp.

I wish to advise members that I will be bringing forward legislation for their consideration that will enable the Ontario Share and Deposit Insurance Corp. to insure depositors of credit unions and caisses populaires to the \$60,000 level. The legislation will provide for deposit insurance at the new level to be effective as of today. This statement is made simply to bring the caisses populaires and credit unions deposit insurance level to the federal government level and not for any other reason.

ORAL QUESTIONS

MORTGAGE PRACTICES

Mr. Peterson: Mr. Speaker, it is good to see the Minister of Consumer and Commercial Relations on the job. I have a question for him. In his statement yesterday the minister said there was a deficiency in the security underlying the investments of Crown Trust of approximately \$130 million. Obviously before such an estimate could be made, a substantial investigation of the investments of Crown Trust had to be made. I think that is a reasonable deduction.

According to the minister, we know that Crown Trust provided \$56 million in third mortgages for the Cadillac Fairview building flips. That leaves \$74 million of presumably weakly secured assets. Will the minister explain what the \$74-million investments were? Did Crown Trust invest more than earlier reported in the Cadillac Fairview mortgages? Did it buy any dubious mortgages from Greymac Trust, Greymac Mortgage or Seaway Trust? What explanation can he offer for the figure he has given us?

Hon. Mr. Elgie: Mr. Speaker, I really do not want this House to feel that I am in any way withholding information. I have provided the information that is available to me in the detail

in which it is available to me, and the information that the Leader of the Opposition quotes is from a summary of information given to us by Woods Gordon.

When I have further information to provide to the House on the exact nature of those deficiencies I will be pleased to do so, but I can reassure him that there were no further mortgage arrangements with respect to Crown Trust and the Cadillac Fairview transaction and that the two other trust companies he mentioned were not involved in any other mortgages.

Mr. Peterson: Do I understand by what the minister is saying now that he is dissociating himself from the statement he gave yesterday, that Woods Gordon figures are only a summary in his hands and he is not prepared to stand by those figures? That is what I infer from what he is saying. Clearly there is \$74 million somewhere or other that we cannot account for. How does the minister account for that? Where is that money?

Hon. Mr. Elgie: Certainly if I did not stand by the interim report given to me I would not have made the statement. As I have indicated very clearly, whenever information is forthcoming to me for the information of this House I will be delivering it, and when I have that information it will be provided. It is not that there is an unwillingness to provide information, because I have already committed to this House to report on a regular basis as information is available and can be released.

Mr. Rae: Mr. Speaker, the minister's statement yesterday showed that within the space of a very few months—that is to say, from September 1982 until January 7, 1983—it was possible for Crown Trust to be short \$130 million. In view of the very short space of time in which it appears to be possible for these kinds of moneys to go missing, can the minister tell us whether he is satisfied that he and the regulatory agencies for which he has responsibility have sufficient powers to make sure this does not happen over the next few months with respect to other trust companies?

Hon. Mr. Elgie: Mr. Speaker, as you know, the amendments to the legislation that were passed in this Legislature on December 21, I feel, and members will agree, give the government and the registrar fairly extensive powers with respect to the gathering of information, with respect to the transfer of ownership and with respect to the operations of trust companies.

It is my view that we do have certain powers

in the act that allow us some access to the information needed, perhaps enough. But I have indicated very clearly that the issue of the act itself is one that is going to be prepared as a matter of priority for a white paper consideration following the release of the draft bill by my predecessor one year ago. That will be a matter for discussion and debate by this House as to what new steps must be taken, if they need to be taken, with respect to regulatory activity in the financial institutions area.

Mr. Peterson: I have to remind the minister that he is the one who gave us the figures. We did not give them to him, and presumably he understands what they are and has to stand by them.

I want to ask the minister another question with respect thereto. Can he indicate when, or at least over what period of time, those poorly secured investments of Crown Trust that are not tied to the Cadillac Fairview mortgages were made? Do they involve only mortgages or do they include commercial loans, commercial investments or other types of assets?

Hon. Mr. Elgie: As I reported in my statement yesterday, "The company's lending practices since September 1982 have departed from the conservatism practised prior to that date and have resulted in serious deficiencies now apparent in the security underlying approximately \$130 million of its investments."

When I have the information provided and it is available for presentation to the House in greater detail, I will be doing so. I know it is rather repetitious to say it, but that is the position I am taking, and I think it is a logical position to report facts and information as they become available to me.

Mr. Peterson: It is three months now and the minister has always been a little bit late. That is the problem.

Mr. Speaker: Question, please.

2:20 p.m.

Mr. Peterson: I have another question for the minister. He said in his statement yesterday that neither Seaway nor Greymac has any borrowing base to support its deposits. In addition—this is a little bit technical—with regard to the mortgage loans to Kilderkin, which account for about \$229 million of the \$465 million of combined mortgage loan portfolios of these two companies, the minister states that most, if not all, of these mortgages are in excess of the 75 per cent of the value of the property mortgaged, as permitted by the Loan and Trust Corporations

Act. This represents fully half of the total mortgage loans of these two companies.

Can the minister indicate how long such a deplorable state of affairs has existed in these two companies and why the ministry investigators were unaware of the situation?

Hon. Mr. Elgie: The Leader of the Opposition is making assumptions, and I am not certain he has facts to support those assumptions. I have indicated very clearly to this Legislature that I have requested and ordered an internal review of the administrative practice and, indeed, a review of the adequacy of resources in that division. I assured the House as well that if an external review by a person or persons knowledgeable in financial institutions was indicated, it would be carried out. I will be reporting the results of those endeavours to this House and at that time there will be an opportunity for a full review of the situation.

Mr. Peterson: That is about as reassuring as Arthur Maloney saying he has reviewed the Reid Scott case and everything is just fine.

Putting aside for the moment the Cadillac Fairview deal and the mortgages advanced on that transaction by Greymac Trust and Seaway, it still means that Greymac Trust had \$58 million, or 30 per cent of its mortgage portfolio, advanced or related to Kilderkin in deals other than the Cadillac Fairview deal that were, according to the minister, in violation of the act. It still means that Seaway Trust had \$75 million, or 27 per cent of its mortgage portfolio, advanced or related to Kilderkin that was, according to the minister, in violation of the act.

Can the minister tell us how long the mortgage portfolios of these trust companies had been in such a poor condition and how long the books of these corporations had been in such poor shape as he reported yesterday?

Hon. Mr. Elgie: I have indicated very clearly to the House, and again I know it is repetitious, that as information on the investigations and examinations becomes available to me—and recall that we have Mr. Morrison carrying out his special examination and we have the registrar in occupation of the three trust companies, reviewing the practices of those companies—as information comes from those various sources and is made available to the House, that is exactly what the Leader of the Opposition should expect to get, and I would expect that is what he would expect me to report on.

Mr. Rae: I am concerned about the liability of the directors of the companies involved towards

the pattern of behaviour that appears to have existed for some time. For example, I would like to ask the minister whether Mr. Morrison or anybody else under his charge has considered section 68 of the Loan and Trust Corporations Act, which states, "The directors shall not declare or pay any dividend or bonus when the corporation is insolvent, or that renders the corporation insolvent or diminishes its capital."

Is the minister aware of any payment of dividends in the case of either Seaway, Greymac or Crown Trust that had the effect of diminishing capital and the liability of the directors thereto?

Hon. Mr. Elgie: The issue of liabilities of directors, as the leader of the third party knows, is a matter that will be up to lawyers to resolve. But in answer to his specific question as to whether I know personally of any declaration of dividends in any of the companies, I do know, as all members know because it was published in the newspaper on December 23, that on Wednesday, December 22, I believe, the president of Seaway Trust declared a dividend to himself of something in the neighbourhood of \$1.2 or \$1.3 million.

Mr. Peterson: I have a two-part supplementary. Is the minister aware of any of the directors filing notice under section 193 of the Loan and Trust Corporations Act that there were any untoward transactions or violations of section 191, which describes the kind of investment that they had? Is he aware of any notices to the registrar or anyone else from any directors attempting to absolve themselves of liabilities if in fact there was a violation of section 191? That is the first part of my supplementary.

Second, is the minister aware that on January 22 and September 27, 1982, Seaway sought and received cabinet approval to increase its authorized share capital? I want to know what examination the minister or his inspectors made of Seaway's books at that time. Was the minister aware at that time that the books were messy and inadequate and not up to date? What reports did the registrar make to him or to cabinet with respect to the internal affairs of this company at those times?

Hon. Mr. Elgie: No, I am not personally aware of any notices from any of the directors of those three trust companies, but if there were any they will be reported to me. In the absence of that knowledge at the present time, I can only answer that I do not know of any.

With respect to cabinet approval regarding

Seaway and Greymac, the member knows that when borrowings by trust companies reach a certain level the registrar has certain options. One option is to increase the borrowing level, which he did not recommend. The other is to allow an increased infusion of capital by the owners of the trust company in order to improve its borrowing base, which he did recommend to us; and on his recommendation, that was approved.

REGULATION OF TRUST COMPANIES

Mr. Rae: Mr. Speaker, my first question is to the Premier. I would like to ask the Premier whether he would like to reconsider some remarks he made yesterday when he compared the investment, or deposit, in a trust company by analogy, saying that the next thing that would be suggested is that the government guarantee investments on the stock market.

Would the Premier not agree there is a major difference between a depositor taking out a guaranteed investment certificate in a trust company and someone simply speculating on the stock market? Does the Premier not think there is a very real difference between those two activities?

Hon. Mr. Davis: Mr. Speaker, not being involved in the latter practice in any way, without any hesitation I agree totally. As I discussed with the press afterwards, because the former Leader of the Opposition—we were discussing another issue—suggested the government should be guaranteeing matters of this nature almost totally, I mentioned that perhaps the present Leader of the Opposition (Mr. Peterson) would be suggesting we guarantee many other things. There is a very real distinction.

I made the other point to the press yesterday because we were making some analogies with respect to shareholders in trust companies. I would make the argument that somebody buying shares in a trust company probably should have no greater protection than somebody buying shares in Bell Canada or some other public company. In other words, if one is going to invest as a shareholder, that is distinct from buying a GIC at a trust company that might be located in Brampton. There is a very real distinction.

Mr. Rae: Quite apart from wherever in Ontario trust companies may be located, and they are located all over the province, I would simply ask the Premier, how can he justify the government's position in agreeing to and acquiescing in an artificial limit of \$60,000 when there are

many investors with more than \$60,000 in some of these companies?

How can he justify that limitation when the problems are associated with the pattern of regulation and the breakdown of the regulatory process in this province with respect to these trust companies?

How can the Premier justify setting artificial limits for trust companies when he is aware that the Province of Ontario Savings Offices across this province, or the few that remain open, guarantee all investments in provincial savings offices?

Hon. Mr. Davis: The answer to that is fairly simple. It has not been the policy of the government, or of very many governments, to insure investments in their totality whether they be in a trust company or some other form of investment.

It was this government that, some years ago, initiated the concept of the insurance program that exists in this country. It was because of the activities of the present Minister of Consumer and Commercial Relations (Mr. Elgie) in this province that the government of Canada was encouraged to authorize the extension of that to \$60,000. I say that after some discussions with the minister in the latter part of last week, and knowing he communicated this to the minister responsible at the government of Canada level over the weekend.

2:30 p.m.

Mr. Peterson: Mr. Speaker, the record will show that the Premier has shown wonderful leadership on this issue, no question about it.

Even though the Canada Deposit Insurance Corp. has increased its limits and is now prepared to guarantee up to \$60,000, I understand the Premier is not prepared to guarantee anything over that even if he is negligent, as it certainly appears he has been. What is he going to tell those—

Interjections.

Mr. Peterson: Well, we will wait and see. Just watch the lawsuits.

What is the Premier going to tell those municipal agencies and boards of education that have money invested in Crown Trust at the present time and cannot get it out? What is he going to tell those taxpayers whose money is invested there? Is he going to say, "Go back and tax them more, because we cannot get it out of Crown Trust"?

Hon. Mr. Davis: Mr. Speaker, I understand the rather sarcastic and facetious nature of the

preamble to the honourable member's question, which I guess is really in keeping with the quote in a column in the Toronto Sun yesterday morning that questioned my parentage.

As I said to the member when he phoned to apologize, I was really delighted to see that quote in the paper because, in my constituency at least, it assures me of another several hundred traditionally Liberal votes. I am never critical of anyone who questions my own competence, but I do take exception when somebody questions my parentage.

Interjection.

Hon. Mr. Davis: The member said it. It was there in print.

Interjection.

Hon. Mr. Davis: That is right.
I thought I made it fairly clear—

Mr. Peterson: At the time I regretted it, but I'm not sure I do now.

Mr. Speaker: Order.

Hon. Mr. Davis: I know the member regretted it the moment he said it. One of his great problems is that he says too much too rapidly and lives to regret many of the things he does say. That will not change.

I would just give the member a little word of caution. We disagree philosophically with the New Democratic Party left, right and centre, but they have been far more reasonable and responsible on this issue than the Leader of the Opposition or his party.

Interjections.

Mr. Speaker: Order. Order.

Mr. Martel: Take it back.

Hon. Mr. Davis: I didn't say anything offensive.

Mr. Peterson: On a point of privilege, Mr. Speaker: The Premier is absolutely correct. He does have a lot in common with the NDP, because neither of them knows anything about it.

Mr. Speaker: Of course that is not a point of privilege, as you well know.

Mr. Breithaupt: Now back to the answer.

Hon. Mr. Davis: I know the member for Kitchener, being the kind of stable, sensitive soul he is, is embarrassed by some of his leader's observations. I understand that.

Mr. Breithaupt: I am more embarrassed by what I see over there.

Hon. Mr. Davis: Oh, I do not think so. I know that member too well.

Mr. Conway: He beat the Rosenbergs.

Hon. Mr. Davis: That was an unfortunate statement.

Yes, I would say to the member for Renfrew North (Mr. Conway)—who also has the habit of putting his foot in his mouth—that not only did he beat the Rosenbergs but his leader beat him. But I do not think he is any less a person for it.

Mr. Speaker: Order. Never mind the personal interjections.

Interjections.

Mr. Rae: Mr. Speaker, I wonder if the Premier can tell us in all seriousness and in all fairness why individual investors and depositors should be required to take the government to court to determine liability. Why does the Premier not see it as an act of fairness and justice on the part of his government to guarantee all depositors in these three companies, given the very serious admissions that have been made by the minister with respect to previous regulatory practice in the province?

Does the Premier not recognize the minister yesterday stated that for a number of years it has clearly been a problem and the government has not been able to keep an eye on Seaway Trust and Greymac?

Hon. Mr. Davis: Mr. Speaker, I am just putting this as a hypothetical question. If somebody from the corporate community were one of those depositors with, say, a \$2-million or \$3-million deposit from a company, a private sector organization as distinct from individuals, would the member have the same point of view?

In other words, if one financial institution were to have put money on deposit in a trust company that was offering more by way of return, and the sole reason for that was to get a little better rate of return, would the member be as enthusiastic about this government's guaranteeing, on behalf of the public, that corporation investment?

Mr. Rae: I think that is what is called a blue herring.

Hon. Mr. Eaton: Come on.

Mr. Rae: It has nothing to do with the question.

Mr. Speaker: New question, please.

Mr. Rae: Mr. Speaker, the fact is that innocent depositors are going to suffer—

Mr. Speaker: Order. New question, please.

KILDERKIN INVESTMENTS

Mr. Rae: Mr. Speaker, my second question is to the Minister of Consumer and Commercial Relations and relates to the question of Kilderkin Investments.

The minister will know that Kilderkin Investments has been the central player in this whole Cadillac Fairview transaction. Kilderkin, which set up the numbered companies, arranged the flip and negotiated the management agreements and leasebacks, appears to have ended up with the bulk of the profits, and now holds the wraparound mortgages on the properties. Given this company and its central role, I wonder if the minister can tell us what action the government has taken to bring Kilderkin into the investigation and to act on its involvement?

Hon. Mr. Elgie: Mr. Speaker, Mr. Morrison's inquiry has, of course, involved persons from Kilderkin. Since those persons are at stages with respect to being examined under oath, I am not prepared to comment further at this time.

Mr. Rae: Mr. Speaker, I would like to ask the minister, given that the inquiry was set up on November 10—at least, that is the date on which the minister became aware of the deal—why has it taken all this time to get at the linchpin of this whole deal, the Kilderkin company? It has taken the minister a very long time indeed to get at what is the central player in this whole series of transactions. We still do not know who the numbered companies are or the exact nature of the transactions. Does the minister not think it has gone on long enough?

Hon. Mr. Elgie: Mr. Speaker, it is an assumption that Mr. Morrison has not been seeking out information with respect to Kilderkin and the numbered companies, because indeed he has been doing so for some considerable length of time. If at the end of his endeavours he indicates any gap in his information base, then clearly that is a matter we will have to address.

Mr. Peterson: Mr. Speaker, I asked this question yesterday but did not receive a satisfactory answer. The minister is no doubt aware that Mr. Player now controls more than 20,000 apartment units in this city and other places. He is also aware that he cannot bank and is aware of the problems that are conspiring against that set of companies at the present time.

My sympathy does not go to Mr. Player, but what contingency plans does the government have if perchance there is a financial collapse of Kilderkin? What will the minister and the government do if they cannot honour their

financial responsibilities and if these apartments end up without an owner who is financially responsible? That is going to come back on the minister's head somehow or other. What contingency plans does he have to protect those tenants?

Hon. Mr. Elgie: That really is a hypothetical question at this time. As the member knows full well, Mr. Player, through Kilderkin, did pay the interest on the first and second mortgages that was due yesterday.

Mr. Rae: In the light of the action taken with respect to the trust companies, I wonder whether the minister would not consider taking some action with respect to Kilderkin, such as having the rents of these buildings paid into a trust fund controlled by the government. Would he consider taking over the management of the buildings by taking control of Maysfield Property Management?

The minister must know he is going to have to act at some point with respect to Kilderkin. Surely he must have plans available in order to act and to give the tenants some guarantee of security that they are not simply going to be left out in the cold or in the situation of the complete unknown, given the problems facing the three trust companies and the problems we know must be facing Kilderkin.

Hon. Mr. Elgie: We went through this yesterday. So that nobody in this chamber and none of the public is under any misunderstanding, the tenants in these issues and in others have been protected by legislation which places a cap on the amount of rent increase relating to financing costs. The Residential Tenancy Commission has also instituted new guidelines that gives it the option of limiting the pass-through of financing costs on sales and resales in a way that will not affect tenants. Therefore, I think it is inappropriate to suggest it will, no matter what is going on here. I hope no one is misled about that.

2:40 p.m.

Let me also repeat that the Morrison examination has been in the process of interviewing parties in the Kilderkin empire, if I can call it that. Those examinations are taking place under oath and they are not yet complete. When they are complete and when Mr. Morrison forwards me information, and if that information indicates a gap in the information base, we will address that issue.

ASSISTANCE TO THE BLIND

Mr. Boudria: Mr. Speaker, my question is to

the Minister of Community and Social Services and it concerns the inadequacies of services for the low-visioned in Ontario.

Is the minister aware that some 80 per cent of the 14,000 legally blind in Ontario have partial sight, which can be enhanced if aided by devices like these and also these, which fit on a pair of glasses?

Unfortunately, very few people with low vision know of these devices, and they learn of them only by word of mouth. One such person is the president of the Low Vision Association of Ontario, Mr. Bill Carroll, who, with the white cane, is seated over there in the gallery. Although blind, he can see the minister's face, and with the device he is wearing he can see just as well as the minister and I.

Given that Mr. Carroll on his own initiative has invested his time and money in founding the Low Vision Association of Ontario so that others can be sighted again, why has the ministry refused funding for 1982-83 and again for 1983-84 for this important association, which, incidentally, is now on the verge of collapse? Why does he not recognize the needs of the low-visioned, a full 80 per cent of the legally blind in Ontario?

Hon. Mr. Drea: Mr. Speaker, I will take that question as notice and I will read a written reply either tonight, if my concurrences go tonight in view of the circumstances, or on Thursday.

Mr. Boudria: I would appreciate it if the minister looks at that and can get a reply for us tonight.

Is he also aware that Mr. William Hunter, an ophthalmologist at the Canadian National Institute for the Blind, and Jode Feldman, who is also here as senior education counsellor at CNIB, agree that the low-vision services in Ontario are markedly inadequate and that an association for low vision should be established? According to the same group, the same services in Quebec are far better than they are in this province.

Can the minister look at that at the same time and see what he can offer those people? They are requesting only \$150,000 over two years, which was refused by his ministry—and this, of course, is an advocacy group. They would like to inform their members of the availability of these prosthetic devices, which can help the low-visioned regain vision.

Hon. Mr. Drea: I said I would, but I defy the

member to find one government program in Quebec that is superior to one here.

Interjections.

Mr. Speaker: Order.

Mr. R. F. Johnston: Mr. Speaker, I would appreciate it if the minister would also look into whether or not these devices are covered under prosthetic devices assistance and to what degree and report back to the House during concurrences.

Hon. Mr. Drea: Mr. Speaker, I would have to get that, in fairness, from the Ministry of Health. The minister is not here. It might take some what longer, but I will be glad to do it.

Mr. McClellan: He has 10,000 employees.

Hon. Mr. Drea: Mr. Speaker, I resent the last remark.

Mr. Speaker: Order.

INVESTIGATION OF TRUST COMPANIES

Mr. Renwick: Mr. Speaker, my question is to the Solicitor General, and I refer to the statement made yesterday by his colleague the Minister of Consumer and Commercial Relations (Mr. Elgie).

The statement made allegations with respect to irregularities, if not illegalities and possible fraud. In view of the seriousness of these allegations, would the minister please advise this House whether there is any police investigation now under way against any one or more of the three trust companies—Crown Trust, Greymac Trust and Seaway Trust—or against any of their officers or directors?

Hon. G. W. Taylor: Mr. Speaker, an investigation into the matter is being conducted by the Ontario Provincial Police. My colleague the Minister of Consumer and Commercial Relations has not commented on this since there is an ongoing investigation. In the same way, the extent of my comments on the matter at this time is to say there is an investigation going on.

Mr. Renwick: Mr. Speaker, would the minister advise the House when the investigation commenced, who is in charge of the investigation and, specifically, whether it covers one or more or all of the three trust companies and their directors and officers?

Hon. G. W. Taylor: Mr. Speaker, I will take that question and get what information I can give to the member as to the exact commencement date. It has been going on for some period of time, but I will get the exact date for him.

As to the individuals and companies, the

investigation covers all the matters that may be of significance in this situation.

Mr. Breithaupt: Can the Solicitor General advise us if the Ontario Provincial Police also are involved either on their own or in support of the Royal Canadian Mounted Police investigation with respect to the two federally chartered mortgage companies that are involved in these circumstances? Is this a separate investigation, or are both police forces involved in a similar and concurrent investigation of all five companies?

Hon. G. W. Taylor: Yes, the matter is being looked at by the RCMP and the Ontario Provincial Police in conjunction with each other. It is usual in matters of this nature for pieces of information and knowledge to be passed back and forth between the two forces and this matter is no different. There is nothing unusual in the matter. Since they do involve both provincially and federally incorporated companies and firms, the information is being passed back and forth between the two forces.

DEPOSITORS' ASSETS

Hon. Mr. Elgie: Mr. Speaker, I have the answer to two previously asked questions. Yesterday, the leader of the third party (Mr. Rae), raised a matter relating to the cashing of monthly interest cheques from guaranteed investment certificates in the case of an Ottawa couple, and stated that no one would cash their monthly interest cheques from Seaway Trust.

I would like to report to the House that my ministry officials have had and continue to have discussions with the banking community in order to minimize any inconvenience to the general public resulting from the government's takeover of Seaway Trust, Greymac Trust and Crown Trust. I want to make it clear the banks are not refusing to cash interest cheques. However, before crediting accounts, they are waiting until the cheques have cleared.

Since the change in the deposit insurance announced yesterday by the federal government, my officials have been discussing with Canada Deposit Insurance Corp., ways in which inconveniences such as this could be minimized.

Yesterday, the Leader of the Opposition (Mr. Peterson) cited, as an example of the failure to restore confidence re the Crown Trust situation, a licensing procedure of the Ministry of Agriculture and Food. The company involved was stated as Bright Veal Meat Packers Ltd., and the ministry action was stated as refusing to accept a \$500,000 Crown Trust GIC as collateral for a \$280,000 financial security require-

ment. A complete review of our dealings in this case reveals that the facts cited by the Leader of the Opposition are erroneous.

First, the financial security requested of Bright Veal Meat Packers is \$198,000, not \$280,000. This is well documented in a letter dated December 13, 1982.

Second, the 10 employees involved in the beef financial protection program have all denied having any conversation with this company since December 2, 1982. Moreover, none of these people is aware of an offer from Bright Veal Meat Packers to provide security in the form of a GIC from any trust company in any amount.

2:50 p.m.

Third, since August 31, more than 540 applicants have been licensed under this program, some 68 of which have posted collateral in various forms, but none of them in the form of a GIC.

Fourth, the administrator of the program, Mr. John Batt, has declared unequivocally that before my announcement of January 17, 1983, he would have considered a GIC from any trust company as satisfactory collateral.

Fifth, the principal of Bright Veal Meat Packers, Mr. Pat DiBiase, was contacted on January 18 to request his approval to release information in his file to the Ontario Ministry of Agriculture and Food. During the telephone conversation he stated, "It was the bank which refused to accept the Crown Trust GIC."

Mr. Rae: Mr. Speaker, I wonder if the minister can tell us when he is going to be in a position to answer the question I raised yesterday with respect to the conversations he held with trust company officials? I refer to the possibility they may have used that information in order to withdraw certain moneys from Crown Trust and possibly other trust companies. Can he tell us when he will be in a position to make that statement?

Hon. Mr. Elgie: Mr. Speaker, yesterday afternoon my deputy spoke to representatives of the Trust Companies Association of Canada and to representatives of Guaranty Trust. This morning I spoke directly to the chief executive officer of Guaranty Trust, Mr. Alan Marchment, and to Mr. William Potter, the administrator of the trust companies association. Both of them have indicated they will be forwarding information to me. I expected it today, but it has not yet arrived. As soon as it arrives I will make a

statement to the House to clear up that matter completely.

Mr. Peterson: Mr. Speaker, to clear something up, is the minister telling people now that anyone who has entitlement can withdraw up to \$60,000? In his original statement he said they could withdraw up to \$20,000 whenever the entitlement was due. Is he now prepared to honour \$60,000?

Hon. Mr. Elgie: Mr. Speaker, I will quote again what I said quite directly: "Since the change in the deposit insurance announced yesterday by the federal government, my officials have commenced discussions with Canada Deposit Insurance Corp. as to ways in which this inconvenience could be minimized."

[Later]

Mr. Peterson: Mr. Speaker, on a point of privilege: The minister rose with great glee to suggest that some of my facts were wrong; I just want to correct the record and make sure he fully understands what he is getting involved in. He will want to go back and check with the officials who gave him the statement.

The reality is that a direction was given to Crown Trust to pay to the livestock commission assets that were in the guaranteed investment certificate for \$500,000 to cover certain purchases made by Bright Veal Meat Packers. Crown refused to acknowledge that direction; and of course to be legally operative that direction must be acknowledged. The agent refusing it was one Lisa King, who was an agent for Woods Gordon—acting, I assume, under the authority of perhaps the minister or of Woods Gordon at the time.

Without the acknowledgement, the livestock commission refused to accept that GIC. It was at that point, and only at that point, with the refusal of the acceptance of the security of Crown Trust, that Bright Veal Packers went to the banks and that bank security was given on the basis of other assets of those particular people; it had nothing to do with the original Crown GIC.

The amount originally requested by the livestock commission was \$280,000. It was negotiated down to \$190,000 because of anticipated fewer purchases in the future. Those are the facts.

CLOSURE OF FACILITIES FOR THE MENTALLY RETARDED

Mr. Riddell: Mr. Speaker, I have a question

for the Minister of Community and Social Services.

Perhaps the minister has been following some of the reports about his announced five-year plan to close centres for the developmentally handicapped. One of the reports is from no less a person than Glen Drover, a former policy co-ordinator with the Ministry of Community and Social Services and now associate professor at the school of social work, Carleton University. A very simple question would be, is he now prepared to abandon his five-year plan?

Anticipating his response, I must question him on his plan to close these centres. There are a lot of mentally retarded people and concerned citizens who probably did not have the happy Christmas the Premier (Mr. Davis) did over the announcement of the closing of these centres in communities in which these people are—

Mr. Speaker: Order. I recognized the honourable member to ask a question. I would ask him to place his question forthwith.

Mr. Riddell: I am trying my best, Mr. Speaker.

On October 28 the minister announced the creation of 1,444 new beds for the developmentally handicapped in the community. Can he tell this House how many developmentally handicapped adults and children are on waiting lists to get into the community-based residences right now before any facilities are closed?

Like the minister, I have received many letters from concerned parents who feel they can no longer give their grown children adequate treatment at home and yet cannot find a place for those children in group homes because there simply are not enough of them. How many of these people are on waiting lists?

Hon. Mr. Drea: Mr. Speaker, I do not know the number because those waiting lists are usually in the hands of the local working groups of the Ontario Association for the Mentally Retarded.

My answer to the first part is exactly what the member assumed: it is no. But since the honourable member has brought up the article that was in the newspaper yesterday, I would like to point out for the sake of the record—because that man cannot add; maybe that is why he is writing for a newspaper now—750 supervised community—

Interjections.

Mr. Speaker: Order.

Hon. Mr. Drea: Mr. Speaker, just to clarify the remark, he was a great researcher. He is not a journalist; he writes, on space rates, for a

newspaper. He is not one of the regular reporters; they can add.

There are in my statement—

Interjections.

Mr. Speaker: Order.

Hon. Mr. Drea: I was there a long time and I could add; and those people up there can add. It is the dilettantes who have been moving in, on space rates, who have difficulty, especially when they leave government service.

Mr. Speaker, there will be 750 supervised community-living spaces and 1,000 places in family support programs. The latter means that many of those children—or adults, depending upon their ages—will not have to go to any kind of place outside of their own homes because of the extra assistance we are providing there. There are also 244 group home places, 200 beds for severely handicapped children and 250 places for severely handicapped adults.

I think it is only fair to say, since remarks were made about me by the member, that I have had the greatest of difficulty, since I read the London Free Press of October 19, finding out where the member stands on this matter.

I will quote some remarks made by the member for Huron-Middlesex when he said that some centres were down to a quarter of their original patient complement:

“There is no question about it that the ministry is trying to reduce the number of the centres. The ministry is determined to get more of the people into group homes, that kind of thing. There are also fewer people requiring this type of institutional care.”

The honourable member continued:

“Indeed, if there is less requirement for these facilities, then it is my feeling that perhaps now is the time to be looking down the road. The alternative would be an abrupt closing and no one wants that.”

I would like to know what has happened since October 19 to produce the kind of questions today.

Mr. Riddell: The alternative, of course, is to have the support services in place in the community, and that is what the minister does not have.

Mr. Speaker: Question, please.

Mr. Riddell: If the minister does not know—

Mr. Speaker: Order.

Mr. Riddell: I am on my supplementary.

Mr. Breithaupt: He is answering the question.

Mr. Speaker: No, that is not the way it works. Supplementary, please, the member for Huron-Middlesex.

Mr. Riddell: Mr. Speaker, if the minister does not know how many mentally retarded people are on waiting lists to get into the group homes, how can he responsibly plan for these people? Is that not an indication he has not consulted the local associations for the mentally retarded or even the Ontario Association for the Mentally Retarded?

I understand from the ministry official responsible for the closing of the schedule I facilities that the minister plans to enforce a new policy of filling new community beds. It provides that for every former institutionalized patient filling a community bed there will be one bed left to be filled by a mentally retarded person, supported privately by his or her family.

For every one he is going to take out of the institutions, the minister is going to provide one who is on this so-called waiting list. Since 989 mentally retarded people will be deinstitutionalized as a result of the closing, and there are at least that number in private homes needing community beds, is he not prepared to admit that he is not creating nearly enough beds? If he adheres to his 50-50 community bed allocation between those being deinstitutionalized and those now on waiting lists, and if he adheres to the 1,444 new beds, then patients in institutions slated for entrance into the community simply will be transferred to another institution.

Mr. Speaker: We are waiting patiently for the supplementary.

Mr. Riddell: In this case, will part of the \$33 million slated for community care be used, instead, to help those institutions accommodate these transfer patients? Why does the minister not fess up and admit that he has an ill-conceived program? And why does he not come to Goderich with me on Thursday night and meet with the concerned citizens and the town council, as they have requested ever since he made his announcement?

3 p.m.

Hon. Mr. Drea: Mr. Speaker, I would like to go through the list of allegations made by the honourable member, because he is factually incorrect.

First of all, I would point out that since the first day of any deinstitutionalization or any community program in this ministry—indeed, if the member had ever visited one of these

centres other than to address a labour meeting or an election meeting, he would have known this—the arrangement has always been that we wanted a 50-50 relationship in the community: 50 per cent of the community residences for children who had never been to an institution and 50 per cent for adults who had been properly trained in an institution or a facility.

That has always been the goal. Where it broke down was that the community residences were almost entirely for children or people who had never been in facilities, and that is why we developed the five-year plan.

With respect to the severely handicapped, the member will notice in the numbers I read him that there are in that program 200 beds for severely handicapped children and 250 beds for severely handicapped adults.

The very simple truth of the matter is that before anybody is put back into the community there will be a complete support service for that individual, just as there has always been. In the course of the five-year program, the savings that will be generated from the closing of the six facilities will not go to other facilities; that money will go into community residences.

This is not an ill-conceived program. It is so well conceived that the member endorsed it and then for purely political reasons decided to change his mind. Mr. Speaker, I read you what he said on October 19.

Mr. R. F. Johnston: Mr. Speaker, given the process that has been involved in this and given the lack of consultation, I would like the minister's response to a resolution I am tabling in the House today.

In my resolution I suggest that we should establish an all-party committee of this Legislature to hold public meetings in the localities affected and here at the Legislature for three purposes: (1) to examine the specific plans for alternative community-based accommodation and support services for the affected residents; (2) to assure all interested parties that there will be no deterioration in the quality of care for the residents in these institutions; and (3) to ensure that the specially trained workers now employed in those institutions will not be lost to the care system in any deinstitutionalization that may take place.

Will the minister allow us to have that kind of process established here?

Hon. Mr. Drea: Mr. Speaker, I find it very intriguing that this honourable member talks about consultation. We had fully intended to

have consultation. It was the member for Scarborough West who ran around the halls of this Legislature outside a committee room waving a purloined document and saying: "Here it is. Read it, folks." That was the member for Scarborough West.

Mr. R. F. Johnston: Your process was to talk to them after the fact, and you know it. You even said you would talk about it afterwards. What garbage!

Hon. Mr. Drea: You had yourself photographed out there doing it. You delighted in it. You waved it around.

Interjections.

Mr. Speaker: Order. Now, would the minister address himself to the question, please.

Hon. Mr. Drea: Mr. Speaker, the member has put forward a resolution. I think it is premature. However, when we have finished phasing out Brockville—that will be very shortly, and we can show the member what happened to each and every one of the residents in Brockville—I will tell him what I will do: I will show that to the member, and then he can decide whether he still wants his all-party committee.

ONTARIO HYDRO REGIONAL OFFICE CLOSURE

Mr. Mackenzie: Mr. Speaker, I have a question of the Minister of Energy. Can the minister justify to the House the timing of the Ontario Hydro closure of the Hamilton regional office, announced yesterday, given the current high unemployment rate in Hamilton? Can he tell us how many of the employees will be relocated in view of the current surplus of employees in that area? Will they suffer any loss of earnings? How realistic is the offer of alternative employment to female clerical staff, who are well established in the community and who make up half of the 115 employees who will be involved in this closure?

Hon. Mr. Welch: Mr. Speaker, in addition to the information that was contained in the release on this subject yesterday following the Hydro board meeting, the honourable member can be assured that a combination of events—that is, the provision for early retirement and the opportunity to accommodate the balance of the employees not able to take advantage of the early retirement plan in other parts of the system—has been the top priority of the Hydro board.

Over the past several months, the board has

been faced with finding ways in which they can effect some economies. It felt that the rationalization of this particular regional office as part of the overall system, and taking the balance of this year to look after the employees to whom the member has made reference, would help meet some of this objective.

Mr. Mackenzie: Can the minister explain his priorities to this House? To date, we have spent \$1.5 billion on the Darlington operation, which is a continuing project and which is something we do not need. It now bears a price tag of more than \$10 billion. Yet we sacrifice 115 employees in Hamilton—because that is what is going to happen to most of them—for a saving of \$3 million.

Can the minister tell us whether this is yet another example of the security of tenure of public sector employees that this Tory government promised during our recent debate on Bill 179?

Hon. Mr. Welch: I think it is very unfortunate for the member to assume that anyone is being sacrificed as a result of this move. On the one hand, we have pressure being placed on the public utility to effect economies and to provide its service in the most economical way. The member has been given the assurance, in so far as this particular decision is concerned, that the employees will be looked after in a combination of ways to which I have already made reference.

It would be very unfortunate to leave the impression today that there has not been a very concerted effort and that there will not continue to be a concerted effort on the part of the public utility to look after the employees affected by this decision.

Mr. Cunningham: Mr. Speaker, why would the minister not consider reducing some of the 112 staff across the street who are involved in a high-priced public relations program, rather than getting rid of people in the Hamilton office?

Hon. Mr. Welch: Mr. Speaker, I do not think there is any particular restriction with respect to where the board is looking for economies. Indeed, the board is reviewing all its operations. I think the honourable member will know that this has been under consideration for some time.

PAROLE BOARD DECISIONS

Hon. Mr. Leluk: Mr. Speaker, on December 6, 1982, the member for Victoria-Haliburton

(Mr. Eakins) directed certain questions to me concerning the Ontario Board of Parole. I indicated that I would make some inquiries and get back to him.

Between July 1981 and approximately mid-March 1982, the Ontario Board of Parole was faced with the situation that its case load had reached a point where it was placing great strains on available resources. The board was confronted with the prospect of delaying or postponing hearings and the unfortunate consequences or hardships that would arise from such situations. The alternative of two-member boards was considered as a possible solution.

A practice was developed whereby two members would conduct normal hearings, with a third member available in the event of a disagreement. I am advised that the incidence of such disagreement was rare and that this practice permitted the board to fulfil its responsibilities to provide parole hearings to eligible inmates for the period in question.

It is important to state that no inmate or former inmate has complained about these procedures. No legal challenge has been made, nor do we expect one, because the practice of using two-member hearings did not affect the outcome of these parole decisions. If a legal challenge is made, the ministry would defend the legal propriety of the procedures followed. I am advised that the ministry would rely upon the provisions of the Interpretation Act, which permits a simple majority of the board to perform the duties of the entire board.

3:10 p.m.

During the past several months the board has been able to revert to the practice of three-member hearings, except in unusual individual cases caused by unavoidable circumstances. The ministry and the board are currently reviewing the financial, legal and operational issues involved in the quorum question and the possibility of legislative amendment. Until such decisions are made, three-member hearings will continue.

Mr. Eakins: Mr. Speaker, was the minister informed by the board before this decision was taken to deal with the question of parole by a two-member board, and was that decision made by the chairman of the board to save money rather than the case load?

Hon. Mr. Leluk: Yes, this matter was discussed with me, and I was fully informed before the decision was taken.

MOTORCYCLE TESTING STANDARDS

Mr. Cunningham: Mr. Speaker, I have a question of the Minister of Transportation and Communications. Against the advice of professional motorcycle instructors, his ministry removed the licence requirement for a driving skill test earlier this year. According to statistics by his ministry yet to be made public, fatalities for motorcycle operators are up 18 per cent over the same period last year and more than 80 per cent for passengers, while in the same period there has been a reduction for passenger vehicles of 29.5 per cent.

Will the minister now admit that his decision to reduce the standards for motorcycle testing was ill advised? And will he implement a meaningful, practical testing program immediately?

Hon. Mr. Snow: Mr. Speaker, I believe I got the same correspondence the honourable member did. I have been concerned about the motorcycle situation for a number of years. We have been looking at a number of different options. I believe the skill test which the member refers to as having been removed has been reimplemented. I cannot give him the exact date, but I can get it for him.

I know we have looked at alternative training and testing sessions. I have received recommendations from a number of motorcycle groups. I have met with groups representing both the motorcycle industry and the cycling community. We have discussed possible amendments to regulations, such as limiting the size of vehicles for a period of time for the new operator. As I say, I am very concerned with the whole problem of motorcycle safety.

I do not have the exact figures. The latest figures I have are as of the end of August, and the number of deaths for the period is up from 64 in 1981 to 70 in 1982. The total number of fatal accidents and deaths in the overall summary is down by about 27 per cent, while at the same time the motorcycle number is up.

There is, I believe, greatly increased use of motorcycles and an increased number of motorcyclists, but it is still of great concern to me and is something we are working on right now.

Mr. Cunningham: Perhaps I can send over to the minister the latest statistics, which are good until the end of September, so he will be aware of what is going on in his ministry. The reality is that motorcycle drivers account for two per cent of the driving public but 15 per cent of the fatalities.

Will he not make a commitment today that rather than just adding two pylons to the testing procedure, which in fact is what his officials are doing, he will consider implementing a meaningful, comprehensive, practical driving test so that the kind of carnage I have just referred to will be reduced?

His overall statistics indicate that passenger vehicle fatalities are down; I commend him for that. But during the same period, fatalities for the operators of motorcycles are up 18 per cent and for passengers they are up 80 per cent. Is he going to get with it?

By the way, will he distribute the pamphlet his ministry prepared three years ago, the 20,000 that he has never chosen to distribute?

Hon. Mr. Snow: I thank the member for his sarcastic remarks. The answer to his one question is no, I am not going to give him any commitment here today. I have stated the fact that this whole matter of motorcycle safety is of concern to me. I have discussed it with the people involved and we are working on solutions.

MOTION

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Hon. Mr. Wells moved that standing order 72(a) respecting notice of committee hearings be suspended for the consideration of Bill Pr50, An Act respecting the Certified General Accountants Association of Ontario, by the standing committee on regulations and other statutory instruments on Thursday, January 20, 1983.

Motion agreed to.

Hon. Mr. Wells: Mr. Speaker, before calling the orders of the day, I should indicate that there has been a change in the orders from what is shown on the Order Paper. We are going to deal this afternoon with concurrences in supply for the Ministry of the Environment, and when they are completed we will move to the Ministry of Community and Social Services, followed by the Ministry of Correctional Services and the Provincial Secretariat for Justice.

ORDERS OF THE DAY

CONCURRENCE IN SUPPLY, MINISTRY OF THE ENVIRONMENT

Mr. Elston: Mr. Speaker, is the minister going to make any statements before we commence? If not, I will just bring to his attention a few

concerns I have about the operation of the ministry which I think reflect quite well what is happening inside that ministry and perhaps what is happening in Ontario with respect to the environment it is supposed to be looking after.

I want to start off by getting back to a couple of comments I made in the House after we finished our estimates; those were with respect to the timing of the minister's announcement of the reorganization, which was made the day after we closed our estimates. I know he tried to explain it in terms of his not having had the go-ahead from the cabinet to conduct that sort of reorganization fully, but I want to bring to the members' attention the difficulty we as opposition members have in conducting a thorough analysis of the financial situation of any ministry when it is not undergoing these massive reorganizations, let alone how we are supposed to organize our comments when several things are being done that quite rightly might affect the allocation of resources that is being planned.

3:20 p.m.

Mr. Speaker, there are a number of people who wish to conduct conversations, but I feel there are important matters to be discussed with the Minister of the Environment (Mr. Norton).

Mr. Speaker: The member for Hamilton Mountain (Mr. Charlton).

I wonder if we could have the co-operation of all honourable members in limiting their private conversations, please.

Mr. Elston: On a point of order, Mr. Speaker: I had no intention of relinquishing the floor. I was asking if you might notice there was so much noise that I could not present my comments on the Ministry of the Environment.

Mr. Speaker: I did indeed notice it. I am sorry; if you are not finished, carry on.

Mr. Nixon: You are sorry that he is not finished?

Mr. Speaker: I do not want that to be misinterpreted. I am not sorry that you are not finished.

Mr. Elston: Thank you, Mr. Speaker. I know that in many situations the allocation of resources in this province somehow has become a bit of a joke, but I do not see that as a responsibility of the opposition. We are always trying to bring to everybody's attention the difficulties under which we labour in examining these ministries thoroughly.

While we are dealing with these concurrences, I want the minister to present to the

Legislature a very thorough analysis of the reorganization, to bring us up to date on exactly where it stands and to give us the details we were probably entitled to many months ago when we actually looked at the estimates themselves. I think at this point he owes us an in-depth explanation of exactly what has gone on; a full report that will advise us how that reorganization is going to affect the money that has been allocated under these estimates.

There are several other areas that are also of prime concern. Specifically, I think we should look to the joint federal-provincial report that was just released before this House adjourned at Christmas. We ought to have an explanation at this time as to where the report places the ministry with respect to its control orders and the actions it will be contemplating with respect to the funds that are allocated to the problem of acid rain in this province. It is a serious problem and we have been pounding away at it; in fact, in the estimates we spent a considerable amount of time on it.

We discussed with the minister the ramifications of several deals that were being contemplated by Ontario Hydro which might or might not add to the problem of acid rain in the province. I would like the minister to comment on the present situation and to advise us whether Ontario Hydro will implement programs that will go towards immediately reducing sulphur dioxide emissions, such as going to more high-quality coal, washing the coal and taking similar steps to help us keep up to the Tennessee Valley Authority, which has announced that it is planning a 50 per cent reduction in emissions very soon.

I hope the minister will comment on the report I mentioned earlier, in which Inco and Falconbridge were considered and which contained suggestions about the technical possibilities for reduction of emissions. I hope he will tell us whether he intends to take positive steps to have his ministry put those limits in the form of an order so that they must be met by Inco and Falconbridge.

I believe there was another major announcement made by the minister, some time after we finished the estimates, that involved the blueprint which he said would be developed over the next few months. I wonder whether we might have an update on what is happening there.

In terms of that blueprint, I wonder whether we might have a statement from the minister as to how the funds that are allocated through the

estimates with respect to these concurrences and otherwise will be affected by that blueprint situation. I do not really understand how he is going to work all the resources into his budget without causing some problems with the very essential programs we talked about during our estimates time.

It is interesting to note that when the minister announced this program, the drawing up of a blueprint for his ministry, various very responsible organizations were not advised that this announcement was even coming out. I am thrilled, however, to hear that the Ontario Waste Management Corp. will be making presentations to the minister with respect to that aspect of waste disposal. I suppose that even though they were not specifically notified or aware when the announcement was made, since their mandate is to deal with that problem and to provide a solution for the minister, they were really in place to act quickly once the announcement was made.

While I am speaking about the Ontario Waste Management Corp., I might also ask the minister to comment at this time on the process that has taken place so far with respect to phases 1 and 2 of their study and the determination of finding a spot for dealing with the special wastes problem. We have had a lengthy public input session, and I might also—well, if the minister does not want to listen, he can always take a vacation in Florida; he is not nearly bronzed enough.

Hon. Mr. Norton: Never in Florida; I represent Kingston and the Islands.

Mr. Elston: Yes, but the islands are not that far south.

I would like to ask the minister to comment on the process that has taken place so far and on whether the determinations that were made by the Ontario Waste Management Corp. are going to have any impact on his blueprint that is being drafted. I would also like to ask him to provide us with an update on his blueprint as to when we can expect the final report and whether the study being done is on the time schedule originally announced.

At this time there is one matter that has concerned me a great deal since the fall. I wrote to the minister some time ago about the establishment of landfill sites, particularly those in my area. I had asked him to look into the problem, and I know he has probably done so but has not yet had time to get back to me.

I have gone over the experiences of a number of municipalities in my area wherein they have

been the recipients of grants of up to \$4,000 to provide engineering study funds for local municipalities wanting to establish dump sites or to have them licensed, and I can say that the experiences of those I contacted have been, without exception, the same.

I suppose the situation in my riding is an example of the problems that the Ontario Ministry of the Environment has had for a good number of years, and that is one of public relations and of trying to work positively with the citizens of this province, in particular with the elected citizens of this province who sit on the various councils all over Ontario.

As I described the situation to the minister earlier, a series of letters has been sent out by his ministry at the district level to municipalities to request information on whether they wished to be involved in the \$4,000 grant program to help them study their landfill sites; then, once enrolled in that program, there is almost a never-ending series of tests, more tests and new tests that is required by his ministry to come up with the final determination as to whether the licence will be granted.

I have found that in at least a couple of cases there has been a great deal of money expended over and above the \$4,000 that the ministry said would be available. I should say that the program provides that the ministry will pay up to 50 per cent of the cost of these studies, up to a maximum of \$4,000. I know of one township that has expended almost \$12,000 and has no hope of recovering 50 per cent of the material cost. As yet, the tests have not been finalized.

3:30 p.m.

I wrote to the minister some time ago and he replied by sending me the form letter that is sent out to everyone, which really did not answer the problem. He had assured me that no particular problems should develop and that his ministry was very open to reports from individual consultants. That still is not happening.

I did bring to the minister's attention what was described to me as a form letter which had been sent to the municipalities in my area and which threatened to fine the municipalities which were burning refuse in their landfill sites. The letter began with this threat and asked further on whether or not the municipalities were in fact burning any refuse.

Hon. Mr. Norton: I read that letter and that is not what it said.

Mr. Elston: That is what it suggests to me.

Hon. Mr. Norton: I requested copies of it from the regional office and that is not what it said.

Mr. Elston: I will get the letter and go over it with the minister, because that is what it suggested to the people involved. That is what happened.

Hon. Mr. Norton: It might upset your father for some reason or other but most—

Mr. Elston: It upset every municipality in the area and also the engineers who were involved in the process up there.

The Deputy Speaker: All right. The member for Huron-Bruce.

Mr. Elston: Mr. Speaker, the information which I had about the reaction of the municipalities to this particular letter did not originate with my father, who happens to be the reeve of the township of Morrison; and there has been a great deal of activity between the Ministry of the Environment and that township. It did not come to me from that source. It came to me from several other municipalities with whose Reeves, clerks and officials I have no personal relationship.

I can tell the minister, the people up there do not share the minister's view of that letter. I can tell him, whatever his view of that letter is, the problem is one of the perception of the Ministry of the Environment by the public of this province. It is a serious problem which has existed for a long time; and the types of form letters that are sent out will never help the minister to restore public confidence in his ministry. That is one of the tasks that he as minister should be looking at very seriously.

I want to receive his comments on this sort of process specifically. If he read the letter and went through it, I simply have to ask the minister why he did not have the courtesy to reply to me. I do not think that is unusual. He obviously likes to take a lot of time before he gets back to people who want to help with these issues. I did not raise this matter lightly. I did a lot of extra work in connection with it. I asked him to advise me, which he now does by way of interjection. I do not think that helps the situation at all.

Next, I would like to hear from the minister about the special environmental assessment advisory group that he is setting up. Earlier in the estimates, he told us the Premier (Mr. Davis) would be setting it up. All of us now understand that the Premier does not want to do that and has given it back to the Minister of the Environment. Since that is the case, I would like to

know what effect that will have with respect to the allocation of resources through this ministry.

I also want to know who will be appointed to that advisory group. He advised us before Christmas that it would not be very long before it would be set up. I had hoped we would have had an announcement from him soon after we came back here as to not only the composition of that board but also to outline the responsibilities and duties of that board.

I think he is placing that board under a serious handicap if he follows the suggestions that have come out previously that they will act only on those matters that are specifically referred to them. At the time a previous question was answered, the Minister of the Environment would not even guarantee that notice of all applications would be sent to these people. I think he really ought to take some time today, or if he wishes in a statement in this House, to specifically outline the duties and the responsibilities of this agency, this advisory board to the government, to delineate very specifically the types of cases that will be referred to it.

I have a question as to whether or not the people who will be requested to sit on this board are going to feel comfortable sitting on a board when they know they will have only a very few handpicked items come in front of them. I think we have to be very sure, if we are going to set up an advisory board, that it has full scope to actually advise the government with respect to these environmental issues, particularly in a field where, as with the Environmental Assessment Act, a great number of us have seen it actually operating as an environmental exemption act.

It is no wonder that public confidence in the ministry is waning, and I think the minister owes it to us as the elected officials from around the province to come to us and present the material on the development of these various agencies and boards.

I suppose there are many other items with respect to this board that I could ask the minister to comment on, but I would like him, if he could, to provide a commitment to us that the mandate of that board will be much broader than just to have authority to look into those items that are specifically referred to it by him, the Premier or other ministers of the crown.

In addition to that particular board, I wonder if the minister might also, as he discusses his ministry with us this afternoon, look at some other problems that surround the publication of material for the public of this province with

respect to areas that have handled in the past what Dr. Chant has called special wastes, those chemicals that have heretofore been dumped willy-nilly around the province without having been detected adequately by the Ministry of the Environment.

I wonder if he can report to us whether he has developed an inventory of the areas in which these chemicals have been placed, whether or not he will be taking special action to ensure that their presence in those locations is retained and whether or not he will be doing anything to make sure there are no leaks of those chemicals into the surrounding environment.

What specifically comes to mind right now is the current situation in Tiny township, about which there was a large meeting last evening, as I understand. In addition, I guess it reflects very much on the happenings at Stouffville as well, where public concerns are running very high and where I think probably emotions have caused a great number of the people out in that area to lose faith in the Ministry of the Environment.

I had some other comments to make on the operations of the ministry, but I want to keep my remarks brief so the minister can give us full reports. I would just like, as a matter of information, to find out whether or not the minister has instituted any special programs since we did his estimates that would be related to monitoring the Sudbury area, for instance since its shutdown, to determine what effect that is having on the area. I know his officials have been quite active in the past, when shutdowns have hit the area, to determine what effect they have in that part of the province, and I think it would be interesting to know if there are special or any stepped-up activities.

3:40 p.m.

When he goes over the special programs he has announced since that time, he might also advise us if he has been able to put together any sort of team that might inspect the site in the Detroit River at Fighting Island with respect to any of the fish reports, which we had hoped to receive before Christmas. In fact, I had been advised by the minister at one point that I would receive a copy of the test results on the fish, and I had understood as well that they were—

Hon. Mr. Norton: They were sent.

Mr. Elston: No. The report was sent to my office, and before I could get back to my office

it was retrieved by a messenger and it has not come back to my office.

Hon. Mr. Norton: That is not my information.

Mr. Elston: The minister has not come clean with the province and he is not coming clean with us now, because we do not have the report.

Mr. Charlton: I had already opened mine, so I kept a copy of it.

Mr. Elston: But I was not in my office. His messenger delivered it and then came back, picked it up and took it away before I even had a chance to look at it. I still have not received a copy of it, and I think it is a breach of my privileges when somebody can deliver something and then run in and take it away again.

Hon. Mr. Norton: I do not know why that happened. You could always pick up the telephone and call me if you are so upset about it. I am as close as your finger on a touch-tone dial.

The Deputy Speaker: The minister should not be interjecting, at least with his microphone on.

Mr. Elston: The minister does not give us that access to his office; why should he have that access to my office? That is the question.

In any event, I would like him to comment on those and to determine what special programs he has with respect to this ministry and what special action he has taken to regain the confidence of the public in a ministry that has not enjoyed that confidence for a good number of years.

Mr. Charlton: Mr. Speaker, I assume the minister will be responding to the things we raise at some point. I have no preference as to how he decides to do that, whether it is before these concurrences are concluded or by way of a statement at some point. The honourable member has raised a number of issues, and I have what I consider a fairly large number of very serious concerns to raise with the minister.

I will start with a few general comments, one of which, I suppose—just to keep the minister smiling for a few moments—reflects the difference between the minister and myself in our approach to most things we do. The member for Huron-Bruce made reference to the tan the minister received on his vacation, and I would like to point out to the minister that I too took a very short vacation during the Christmas break. The difference is that I spent my vacation in Kingston, not down south somewhere.

Mr. Kerrio: Did you get time off for good behaviour?

Mr. Charlton: I think that reflects somewhat the kind of difference in attitude and approach to—

Interjections.

Mr. Charlton: What was I doing in Kingston? Yes, that's right. That is where I spent my vacation. Actually, I was going to crash the minister's New Year's Eve party, but when I got there I found he wasn't having one.

The member for Huron-Bruce also mentioned—and it is something I have discussed at length with the minister during the course of the last two sets of estimates—the question of the lack of public confidence in the Ministry of the Environment. Not only is there a significant lack of confidence in the ministry by the public, but that lack of confidence over the course of the last year has grown rather dramatically. I think during the course of my comments today that that will become very clear, just based on public perceptions and the number of public comments which have been made around the province in recent months in relation to a whole range of environmental issues.

But that lack of public confidence which I am concerned about, which the member for Huron-Bruce is concerned about and which the minister has said in the past he is concerned about, does not seem to be improving but rather declining.

There is a serious lack of confidence in the ministry's responsiveness to communities and their concerns and to that whole range of problems that become isolated local issues. Although they may get provincial press, the people in distant communities—and they may say he is not that terrible—do not have the same kind of concern or involvement that an affected community has. There is a feeling growing in Ontario that the Ministry of the Environment is not there to deal with community concerns or to deal in an upfront way with the right of a community to take part in deciding its future. That is the major area where public confidence in the ministry, which has been bad in the past, is still declining dramatically.

The member for Huron-Bruce also mentioned the Environmental Assessment Act and the exemptions. The comments I have had from people in a whole range of communities across this province give the feeling that the act has become an environmental exemption act, not an assessment act; that exemption is the rule and assessment is the exception to the rule.

There is also a serious lack of public confidence in the ministry in terms of progress

around the major and most publicized environmental issues in this province. I am not just talking about individual community problems, although they have had a high profile over the last several years. I am also talking about the global problems, the acid rain problem, the toxic waste problem in terms of the Niagara River, our disposal methods in Ontario and in terms of drinking water. There is a serious decline in public confidence in terms of a perspective on whether there has been any progress at all and whether things are getting worse instead of better.

The public sense has reached the stage where people in communities are starting, in a way that I have never seen before in this province, to latch on to issues from other, quite distant communities. In many cases that I have been involved in over the course of the last year, they have taken the time to travel considerable distances, in some cases several hundred miles, to attend a public meeting or a demonstration around an environmental issue. I have seen—

Hon. Mr. Norton: More often demonstrations.

Mr. Charlton: It is entirely possible that more people will turn out for an organized demonstration, but I have been at several public meetings over the course of the last year.

Hon. Mr. Norton: Including some to which the member was not invited even by the people who were holding them.

Mr. Charlton: When have I ever gone to something to which I have not been invited?

Hon. Mr. Norton: Does the member want me to give him a list?

Mr. Charlton: Yes, I would absolutely love to have a list, because in the case of every meeting I have been to—

Hon. Mr. Norton: I have some friends in citizens' groups too.

3:50 p.m.

The Deputy Speaker: All right.

Mr. Charlton: In every case of every demonstration and every meeting that I have been to over the course of the last two years while I have been the Environment critic, I have been invited by the citizens of the community involved.

Later on in the course of my comments I will deal with one of those issues that the minister raised in the House a month or six weeks ago. I did not bother to respond to it at the time it was raised because it was so silly and aside from the issue that was being raised here, but I want to deal with it today because I am trying to make a

different point about the attitude and about the public perspective that results from some of the things that go on.

But let me assure the minister that I have gone to no function uninvited. I may not have been invited by the staff of the Ministry of the Environment, but I have gone to no function uninvited by the citizens who were involved in that function. As a matter of fact I was at a meeting last night, as the minister probably well knows, in Perkinsfield, and I assure the member for Grey-Bruce (Mr. Sargent) that in fact that meeting did occur. It was a fairly large public meeting.

I had agreed some two weeks ago to attend that meeting, and then I had to cancel because there was a possibility that these concurrences would be on in the House last night. I made the decision only at about 3:30 yesterday afternoon, when it was clear that the emergency debate would proceed and that the Ministry of Community and Social Services would get bumped into last evening, that I would attend. But I did go at the urging of the citizens and for no other reason.

Anyway, I will deal with a number of those issues as I go through my comments. Perhaps with that I will leave my opening remarks and start dealing with some of the specific issues I want to raise.

The minister has made the point a number of times in this House during question period that in his opinion the members on this side, both those of the Liberal Party and I and other members of my caucus, did not seem to understand the issue or were misinterpreting a report or confusing two different reports. He has used a number of those kinds of comments, and I will concur with the minister to this extent: Some of the environmental issues are so complex that question period is not an easy forum, at least for an opposition member who gets pushed by the minister to get his question out. It is a very difficult forum in which to deal with very complex questions.

Hon. Mr. Norton: Start pushing your leader so you can get a chance to ask a question.

Mr. Charlton: We have a problem with the minister: we have to push him to stop some of his answers when in fact he has gone on for 10 minutes and not even addressed the question that has been asked.

At any rate, question period is a difficult forum for an opposition member to operate in regarding a very complex environmental issue because he has to try to make whatever he is

saying very concise for the Speaker and for the observance of the rules.

Hon. Mr. Norton: That is a problem for a minister, too.

Mr. Charlton: That is a problem for a minister, too? Not anywhere near as much, though. The minister may ramble on for 10 minutes in response compared to the 30 or 45 seconds that the member gets to make his point.

The Deputy Speaker: Even I could disagree with you on those comments, but I won't.

Mr. Charlton: I hope the minister will not be gone too long. The first issue I want to deal with, and I know it is one he is very interested in, is the Whitchurch-Stouffville issue. I will start out by making a number of general comments and I will deal with some specifics when the minister comes back in.

Mr. Elston: He may never come back.

Mr. Charlton: Yes, he may never come back; but I think he will.

The Whitchurch-Stouffville issue has been an issue of concern in the township of Whitchurch-Stouffville for a full decade. Not only is it an issue that has been a public concern in Whitchurch-Stouffville for a full decade, but it is now eight years since staff of the Ministry of the Environment, at assessment hearings in 1974 on the question of expanding that dump site, admitted that the site probably should never have been made a waste disposal site in the first place. Yet, eight years later, we are still trying to resolve the question of when that site will close.

The second set of hearings ended in late June or early July 1981; I cannot remember the exact date and the report was not issued until several months afterwards. It is interesting that since the dump issue re-emerged in the media as a result of a somewhat unscientific but very frightening partial health study that was done by the citizens themselves, the minister and the ministry have made two 180-degree turns.

I see that the parliamentary assistant (Mr. Stevenson) is here. That, at least, has been accomplished.

Mr. Philip: It would be nice if the minister was here, though.

Mr. Charlton: Yes, I concur. At any rate, I want the members to note that there have been two 180-degree turns since June 1981 on the part of the minister and the ministry. I would like to take members through that process, because I

think it reflects very badly on the ministry's public image.

We went through a period in the fall of 1981 and into the winter and spring of 1982 when citizens felt compelled to go out and have testing done on their own because they could not get the responses they were looking for from the ministry in terms of the specific concerns and fears that they had. That, in my opinion, was the first failure on the part of the ministry.

I have said this to the minister before but I feel compelled to repeat it now, in the course of developing these 180-degree turns made by the minister over the last year and a half.

Hon. Mr. Norton: It is the member who is going round in circles, not me.

Mr. Charlton: No, I am not. I am standing here while the minister goes round in circles. I am still looking in the same direction. I have not changed my position since June 1981 in relation to that dump site.

Interjection.

Mr. Charlton: The minister will probably continue to interject throughout the course of my comments. I have a lot to say to him and most likely he will attempt to respond.

I believe that was the first major failing of the ministry in the Whitchurch-Stouffville case, and it indicated the lack of response to the community. Those people had visited the ministry and had been to environmental assessment hearings to set out their concerns. But as they seemed to get no response from the ministry to satisfy those concerns, they felt compelled to go out on their own and cause testing to be done. They went through a whole series of that.

Not only were citizens having testing done, but Global Television also got involved in it. Interestingly, up to that point the ministry had categorically denied the existence of polychlorinated biphenyls on York Sanitation site No. 4.

4 p.m.

As a result of tests that were done by Global Television just with some surface water they found outside the fence over the course of several months we managed to establish the existence of those very toxic and very dangerous chemicals on that site. But up until that point there was never any admission of even the possibility they existed there.

We went through a whole series of about 10 months of citizen tests and a couple of public meetings and a demonstration in April 1982. I cannot recall the date of that demonstration but it was on or about April 17, approximately 12

days before the minister's statement in this House.

That brings me up to the first 180-degree turn. Up to that point the minister had been very adamant there was no problem in Whitchurch-Stouffville—that there was nothing to be concerned about. He said the dump would continue to operate. It is a matter of public record that on April 29, 1982, he announced the closing of that site in this House for June 30, 1983. At that point he still did not allow the possibility there was any contamination leaking out of the site. As a matter of fact he said he was closing the site because of the level of public concern that had grown up in the Whitchurch-Stouffville community. He said the site had to be closed so those people could have some peace of mind.

Hon. Mr. Norton: You are confusing two different things. I said that with respect to the water supply, not with respect to the closing.

Mr. Charlton: You said it also with respect to the closing. You did not put the closing down to any contaminants leaking out of that site.

Hon. Mr. Norton: That's right.

Mr. Charlton: That is correct. But that is not what some parties are saying today. Some who were taking the position that contaminants were not leaking a year ago—

Interjections.

The Acting Speaker (Mr. Cousens): The member for Hamilton Mountain has the floor.

Mr. Charlton: That is right. I have the floor.

Interjections.

The Acting Speaker: Order.

Mr. Charlton: At that time the minister made the announcement of the closing of the dump site. He very clearly set out in that statement that there was a need to create some peace of mind for the people in Whitchurch-Stouffville, and he set about making the order.

There is an appeal process; we all understand that; we are all aware of that. The company appealed the decision, which set the appeal process in motion. The appeal process never really got started, because there were a number of preliminary sessions of the appeal board. Some ground rules were set out; the parties were advised what the process would be. Then the company made advances in terms of negotiating a settlement. There is nothing illegitimate about that process on the part of the company either.

On the other hand it is my view, and I think the view of most of the citizens I have talked to

in Whitchurch-Stouffville, that the ministry should not have had such a significant role to play in those negotiations. I know the minister will say—and I concur—that he was not a party to the negotiations. I understand that. However, that is not the perception that was left with the Concerned Citizens of Stouffville. My sense is that the ministry was acting as a facilitator in those negotiations, not as a party to them. But the citizens do not feel that way. They feel the ministry was an accomplice in what they saw as a no-win process.

Those negotiations started in late September or early October. There were a couple of months of fairly intense negotiations. In early December the parties involved in the negotiations were very close to an agreement which they have probably now reached and will be announcing shortly. Until it is announced I guess we will not know that for sure.

On December 14, in response to a question that was initially put by the member for York South (Mr. Rae), the leader of my party, with a supplementary by the member for Huron-Bruce (Mr. Elston) and a final supplementary by me, the minister took it upon himself to involve himself in something he has criticized so many of us for doing in the past. He engaged in speculation, and it was not very accurate speculation at that. As a matter of fact, if the sources he gave in his comments are any reflection of the operation of his office perhaps he should seriously consider resigning, because his sources reflected total incompetence.

I want to deal for a few moments with the comments made by the minister that day. He said, “I have also heard speculation—and as far as I am aware, it is nothing more than that . . .” Why would he be raising something he clearly admitted was speculation when he has chastised us for doing that in the past? Then he proceeded to comment about what he had admitted was probably no more than speculation.

Interjection.

Mr. Charlton: You did not want to, or you did?

To continue, the minister said:

“... as far as I am aware, it is nothing more than that—that the concerned citizens were perhaps motivated or influenced by certain other factors. I understand they had outside advice that had nothing to do with my ministry. I was told there was professional advice, that the proposal made good sense—advice that in fact recommended they might accept it.

“However, before their meeting, the member

for Hamilton Mountain attended a meeting of theirs. . . “How could I attend a meeting of theirs before their meeting? That one has bothered me ever since the minister made the statement.

Hon. Mr. Norton: You were there on Monday night.

Mr. Charlton: The general membership meeting was on Thursday. The meeting of their executive committee was on Monday night. Nevertheless, it was a meeting of the citizens’ committee. It was not some clandestine thing that just happened, certainly not at my—

Hon. Mr. Norton: So far I am pretty accurate.

Mr. Charlton: It is not a question of whether I was there or not. It is a question of what the minister said went on there.

I will continue quoting the minister’s remarks:

“However, before their meeting, the member for Hamilton Mountain attended a meeting of theirs, I believe, and urged them under no circumstances to entertain any such possibility of arriving at any agreement. At a meeting two or three days later they decided to withdraw as a party. One speculative version I have heard is that they made that decision to withdraw as a party because there was such division within the group as to what their common position might be. That might not be correct.”

4:10 p.m.

The minister will agree that is the kind of thing that should always be put on the record.

“I do not approve of the conduct of a member of this Legislature who would deliberately try to disrupt the efforts of the citizens of that community to do that very thing. I can respond to the member’s latest question by saying, ‘Yes, perhaps there will be no acceptance of any agreement if one individual party does not accept it.’ But knowing his conduct, his first effort would be to go out to Stouffville and try to persuade one individual not to accept it to try to abort any reasonable effort to find a solution.”

For the purposes of the minister’s mind and conscience, I would like to set out for the House exactly what did occur in relation to the meeting referred to, or the liaison, as the minister put it, before the meeting.

The citizens’ committee held an executive meeting. The executive of the citizens’ committee asked me—and I did not know the meeting was taking place—to attend because they would be discussing their strategy and wanted my advice.

Although he clearly set out that it was pure

speculation and might not be correct, the minister suggested he had been told that I had advised the committee not to settle under any circumstances. That is as far as it could be from the truth of what actually happened at that meeting.

For the minister's information, I set out a scenario at some length at that meeting in which I felt the citizens' committee could come to an agreement with the township and the company. I did suggest they not settle until such time as all the cards were on the table, including chemical, health, feasibility and water resources studies which were somewhere close to being released. Settling by the process of negotiation was the only suggestion I made to them. I did set out a process by which I thought they should approach the negotiations and a settlement when all that information was available.

As for the citizens' committee withdrawal from both the negotiations and the hearing, I advised them, in very absolute terms, against withdrawing from either. However, the minister's sources seem to have got that entirely ass-around-backwards. If the minister would like, I am sure at some point all of that could be confirmed by both the executive of the citizens' committee and by the representatives of the Canadian Environment Law Association who were present at that meeting.

I raise that issue because of what the minister in the past has referred to as irresponsibility on the part of members of both the opposition parties. I raise it also because of what happened in that citizens' group as a result of what I see as very foolish comments in this House on the part of the minister.

The Concerned Citizens of Stouffville had some serious concerns about the ministry and the minister prior to what was said in the House the afternoon of December 14. But as a result of those comments, which did not represent the reality of what occurred at that meeting, the citizens find themselves in the position of being very untrusting of anything said by the Minister of the Environment. Some of them laughed because it was so ridiculous but, when they stopped to think about it, they had to stop laughing because it was not really funny at all.

It certainly did not do the public relations of the ministry or the ministry's concerns about reaching a reasonable settlement any good whatsoever. In fact, if anything—

Hon. Mr. Norton: You know they had already withdrawn.

Mr. Charlton: The minister is correct. They had already withdrawn. On the other hand,

there have been several approaches to the citizens' group since that time about the stage of the negotiations to update them. As long as the minister's staff and the township staff were still approaching the citizens, even though they had withdrawn, there was always the possibility that if a reasonable settlement had been reached, they might have decided to agree to it. On the other hand, to have their trust in the process and the minister's role in it knocked down another notch did not help that process at all—or the possibility of that happening at all.

There are a number of other issues around the Stouffville situation I want to raise with the minister. I have referred to a couple of them—the ministry's public image and the confidence communities like Whitchurch-Stouffville have in the the approach of the minister and his ministry to the problems they perceive in relation that dump site, whether any of those problems are ever proved or not. I admit I am not expert enough to predict what might finally be the outcome of that situation. I have no corner on the market of expertise or knowledge, especially in things like chemicals, which I am fresh into and which I do not understand well, or hydrogeology—surface and subsurface water flows and movements.

But we have a situation where the experts of the Ministry of the Environment and the minister, on record in this House time after time, disputed the concerns of the citizens of Whitchurch-Stouffville about any water flow other than southwesterly. It was the contention of the minister, his staff and York Sanitation, Waste Management Inc. or however we are referring to it nowadays, that the only major subsurface water flow out of that site was southwesterly, that the major aquaflow was in a southwest direction.

From the inception of that committee, several of the slightly more expert members, such as one who has written on a number of occasions to the minister, the Premier (Mr. Davis) and God knows who else, have suggested there were problems with water flow to the north, to the northeast and to the northwest from that site, in addition to the southerly flow. Throughout the early stages of this issue, the ministry, its staff and the companies denied that flat out.

I raised this study in a private session with the minister during the course of the summer. It had not yet been released but I knew of its existence. I knew it would be released shortly because I knew it had been completed, especially since

the people in the water resources branch of his ministry told me it had been completed.

This study may not prove anything in terms of contaminants moving out of that site or the contamination of any particular well but, for the people of Whitchurch-Stouffville, it totally debunks the assurances the minister and his ministry gave year after year about both the surface and ground water flows out of that waste disposal site.

4:20 p.m.

Over the course of the last few months, I raised with the minister the question of the chemical study which was done. I noted that naphthylamine had been found in two of the wells in the study. The minister pointed out at great length in this House the two wells to which I referred were background wells, control wells, the Ballantrae well and I have forgotten the other family's name. They are on Vandorf Road.

There are two points to be made. One is that this study very clearly showed an aquifer running out of the dump site in a north-northwesterly direction right through Ballantrae. This study also very clearly shows surface water runoff from that site into the Vandorf creek, which is the east branch of the Holland River and which weaves back and forth along Vandorf Road to the west past the other location which was also supposed to have been a control well.

These were wells the ministry was saying could not be affected by contamination from the site and therefore were control wells being used to determine the background levels of those contaminants in the community. As I said, this study proves nothing in terms of specific contamination of specific individual wells because it is not a chemical study. It is a water-flow study.

There were some chemical tests done around the Holland Marsh area and in some places along the east branch of the Holland River but the study was not intended to determine the effect of that dump site on the surrounding community. It clearly debunks what this ministry has said in the past about water flows and it makes the ministry's position on the testing that has been done and the use of control wells look very, very questionable. The ministry looks bad when it comes to the reasons it has used to debunk a number of test results that have occurred over the last year.

If the minister wants to talk about public confidence, those are all issues the people of Whitchurch-Stouffville picked up on their own—

not through anything this member or any other member of this Legislature has put into their heads. Virtually everything that has been raised around the Whitchurch-Stouffville problem has come from citizens, not from any of us.

Unfortunately, we do not have the staff, the time nor the ability to follow up on every single little thing that goes on, yet I have ended up with a file like this on the Whitchurch-Stouffville case. That only counts the stuff I have taken down over the phone and photocopied and so on. It does not count the official ministry studies that have been done around that area. My point is that at every single step along the way, the ability of the citizens in that community to trust, believe and have confidence in what the ministry was saying has fallen notch by notch by notch.

Perhaps the minister can comment on this because I have no absolute inside information, but the media certainly has indicated over the last few weeks that an agreement will be announced shortly between the township, the waste management company and several of the individual citizens in the area. I do not have any inside information about who will or will not sign that agreement. I have not had the opportunity to contact everybody who has been involved but that is my understanding at this point. It seems to be the understanding of several of the members of the town council with whom I have had contact that within the next few days an agreement will be announced.

The process we are going through is a negotiated agreement in relation to the eventual closing of that site. However, as I understand it, that will probably be some two and a half or three years down the road as opposed to the June 30 date the minister originally announced.

At the same time as that agreement is being announced and signed, we have the release of the feasibility study on a health study. The feasibility study did not prove anything conclusive except that there are indications. The citizens did a very unscientific study in round one. I, and I think everybody, admit it was unscientific. But now we have round two, a feasibility study that presumably had some involvement by the Ministry of the Environment—at least in terms of whether the method was an appropriate one. I do not know whether this Ministry had any involvement but certainly the Ministry of Health did.

That feasibility study did not prove anything conclusive, but it gave clear indication that certain disease types there were substantially

above the levels in a similar test group in a nearby community. There were enough indications at least to warrant the recommendation that a full health study be proceeded with.

Although I have had no official confirmation of this, my understanding is the Ministry of Health is not averse to proceeding with the full health study. That will take some three to four years as I understand it, and I think it is very important it be done. On the other hand I see it setting out a number of problems. I am not aware of the total content of the proposed agreement, but certainly the waste company is going to want something out of it. There was one indication last week of what it wants out of that agreement, even though signing of the agreement has not been publicly announced.

Last week ministry staff went around to 15 families on the hill closest to the dump with documents relating to an alternative water supply. They wanted the primary representatives of the 15 families to sign the documents. Unfortunately I do not have a copy of one of the documents, but I have talked to a couple of those people on the phone and I have had parts of the agreement read to me. The minister can correct me if I am wrong, and I certainly would like to know if I am wrong; but I would also like him to confirm this if it is correct, because I have some serious concerns about it.

I am not sure any more whether we are now talking about York Sanitation or whether we are talking about the parent company, Waste Management Inc. However, my understanding is that although the waste management company will put in the facility to provide alternative water, the 15 families involved will have to pay an annual fee to the township water department for that water which is replacing water they got for free out of their wells. The only costs they had prior to the situation they are in now were the costs of maintaining their wells and the electricity to run their pumps; now they are going to be charged for water from the township. This is one of the things I have been led to believe by my contacts in Whitchurch-Stouffville.

4:30 p.m.

The other thing is that the agreement requires those citizens to sign away their rights to any future legal action against the company. I do not know, Mr. Speaker, whether you understand what that means; that is retroactive and for the future as well. It is retroactive in the sense that if any of those families at some time in the future

find they are ill with cancer, some kind of bladder problem, thyroid problem or any of the other diseases speculated as possible from contamination at that site, if they find they are diseased at some time in the future as a result of consumption of that water at some time in the past, they will have signed away their rights to go after any damages.

The minister can shake his head, but that is the impression of the people who received the document. Again, the public relations message to those people has not been clear, because that is the very clear message I got. I did not go up there spying on ministry staff who were handing out that stuff, following them to doors and asking: "What was that they just brought to your house?" Those people called me and raised the issue with me. I did not go after them to dig out the issue.

I am simply passing along the impression that has been left with at least some of them. There may be some of the 15 families—I have not talked to all the families—who are clear as to the correct situation, but the impression of the two families that called me was that they would be signing away their future rights to take legal action against the waste management company. It did not seem, from the reading I got over the phone, to preclude either the past or the future.

That is just another example of the bad taste which the ministry leaves in people's mouths. The ministry is stuck in a situation where it almost seems compelled to create an atmosphere of this nature instead of providing good advice to the public up front. For example, the ministry could call a public meeting and sort out the confusion that exists and even see that citizens get some free legal advice. Some of them felt they were going to have to go to a lawyer before they signed those documents, because they wanted to know the full extent of their legal rights and what they would be signing away. That is the kind of thing that gets left in the laps of the citizens of a community, and it all has to do with what I am talking about in terms of this ministry's image before the public and in particular in communities in which it has become involved in local situations.

We will have something more about the 15 families, but the full citizens' committee is also not happy with the process that has gone on this winter. The minister may want to blame that on me, but I want to assure him that if I had not been involved the position would have been no different in terms of the citizens' committee.

They did not take my advice; they did not follow the route I suggested to them. They made their own decisions, and they have arrived where they are now as a result of that. However, they now feel betrayed not only by the ministry but also by their town council.

The town council, on the other hand, had some serious and legitimate concerns. If not the whole town council, at least some of its members feel compelled to negotiate and sign an agreement with the waste management company because of two or three issues with which the ministry has been unwilling to deal, and one of them is the alternative water supply.

The minister has said on a number of occasions in this House that he was not prepared to deal with that question until the appeal was over. The town was very much afraid of that appeal process dragging on for some considerable time. There was legitimate concern on the part of the town council. It wanted to see alternative water supplied to as many families as it could arrange it for as quickly as possible. That was one of the concerns the town council had in terms of feeling compelled to negotiate some kind of agreement.

Second, the town council felt an absolute need to set out guarantees in black and white around the monitoring program at that site and to make it to its satisfaction. It could not get that commitment out of the ministry; so it felt compelled to negotiate that.

It also wanted a clear commitment in black and white that there would be an absolutely supreme effort to identify a plume of pollution, whether it be down under the site or whether it be moved outside the site somewhere, that everybody, including ministry staff, now agrees exists somewhere.

The minister may or may not be aware, but a number of us have seen some of the documents which his ministry staff would have been presenting to that appeal hearing if it had proceeded, which it did not. Even though the minister is still saying there is no contamination problem from the site, and he repeated earlier that he would still say that, a number of his staff do not feel the same way. They were prepared to present that at the appeal hearing. Unfortunately, it appears that the appeal is not going to proceed.

There is a very clear indication now that there is a contamination problem related to that site. Whether there is a problem in anybody's well has still to be established, and whether the site is secure is another issue altogether.

Hon. Mr. Norton: Just don't distort what I have said. Are you deliberately distorting what I have said?

Mr. Elston: I agree. Don't distort what the minister says. He does a good enough job for everybody.

Mr. Charlton: The minister will have all the opportunity he wants to respond.

Hon. Mr. Norton: Mr. Speaker, on a point of privilege, or whatever.

Mr. Stokes: The minister must have a reason for standing.

Hon. Mr. Norton: I must have. Yes, I have. I want to say something.

Mr. Stokes: What is it?

Hon. Mr. Norton: I want to say something.

Mr. Stokes: You want to correct the record. One does not just interrupt members without a reason.

Hon. Mr. Norton: Mr. Speaker, the honourable member should just wait and hear what I have to say.

The member is alleging that I have said there is no contamination. I admit there is contamination of some sort at every land fill site. It depends on what one is talking about.

My comments have been in reference to the well water. I do not know whether the member is deliberately distorting what I have said, or whether it is that he has not listened or that he does not understand the distinction, but he clearly is not representing anything that I have said in this House, outside this House or anywhere else. I think it is important. I am willing to sit and listen to him go into flights of fancy to his heart's content but, in fairness, I do think he should at least try to be reasonably accurate when he is attributing statements to me.

Mr. Charlton: Mr. Speaker, I will deal with that matter which the minister has just raised as soon as I find a couple of quotes which I can read into the record. I will carry on while I am looking for the documents, because I do not want to unduly waste the time of the House.

Hon. Mr. Norton: Then the member should be a little bit more incisive in his language, precise, and accurate.

4:40 p.m.

Mr. Charlton: Again, the minister likes to change his stories from time to time. Perhaps he would also like to dispute the comments he made in the House last year about the water

flow directions at the site and what the study released in December now shows.

The minister has suggested that I am distorting the facts; he may have done so deliberately, or perhaps inadvertently, but none the less he has suggested that such is the case. The minister should understand that the period we are dealing with was some considerable time ago, June 1981, if this is the correct passage I am thinking of. No, it is not. I am sorry; I will continue with my other remarks and will deal with the passage at some point when I can find it. That was a question for the Minister of Health (Mr. Timbrell).

The minister can contend that I am distorting, but he has said a number of times in the past that there is nothing the people of Whitchurch-Stouffville need to be concerned about in terms of their well water. That is not now the feeling of his staff. As I suggested, we have copies of documents which his staff were prepared to present to the appeal hearing which, unfortunately, it would appear will not now proceed.

We are coming very close to an agreement between the township, the company and perhaps some of the individual citizens; I am not aware at this point of who may or may not be signing that agreement. But, on the other side of the fence, we have a preliminary health study that suggests there is a need for a full health study.

At the same time as this minister is allowing a process to go on which will negotiate an extended life for this site and perhaps an increased long-term hazard for the community of Whitchurch-Stouffville—again, nobody knows for sure—we have the Ministry of Health agreeing that a full health study should proceed because there are enough indications of problems to warrant a full health study. The disease levels that were looked for and established in that study indicate substantially increased levels in many cases over a comparable community just down the road and a comparable sample of people in terms of age, sex and so on.

We have a situation which for the people in the community is a very clear contradiction in terms; they do not understand how both can go on at the same time. They can understand that nobody, including the minister, is going to admit anything in terms of existing health problems in the community and the relationship between those health problems and the dump site until there is absolute proof. But they cannot understand how the Minister of the Environment can allow a negotiation process to go on to extend

the life of that dump site while a preliminary health study indicates something is wrong in that community.

The only thing the community can see as a possible source of something wrong is the dump site. They do not do anything any differently from anybody else. They do not do anything differently from people in East Gwillimbury, the comparable community that was tested. They have the same kind of water source. They have the same kind of lifestyle. They have the same kind of age categories. They have the same kind of sex relationships. They have the same kind of family status. They do not see that they are doing anything differently from the people in that other community, except for the existence of that landfill site to which they are all proximate.

There is a serious lack of community confidence in the area of Whitchurch-Stouffville.

Mr. Hodgson: That is not right.

Mr. Charlton: That is correct.

Mr. Hodgson: It is not.

Mr. Charlton: It is very correct. The honourable member may learn something about—

Mr. Hodgson: Just when you go up there uninvited to spread the good news.

Mr. Charlton: Perhaps the member can tell me when I have been in Whitchurch-Stouffville uninvited.

Mr. Hodgson: Mr. Speaker, on a point of privilege: I met the head of the concerned citizens committee, Fran Sutton, a week ago tonight and she says she never invited the member. He came up there on his own. Somebody else in the community may have invited him.

Mr. Charlton: For the information of the member, I have been up to Stouffville on several occasions, including the occasion of a demonstration last April which the member for Huron-Bruce (Mr. Elston) and the leader of my party attended. I was invited by the Suttons to that demonstration.

I was there again in the first week of August 1982. I do not recall the exact date, but I think it was August 4. That was at the invitation of the chairman or president of the Concerned Citizens of Stouffville. I am not sure which title they use, but the title is the same none the less.

Mr. Stokes: Is the member for York North (Mr. Hodgson) saying that Mrs. Sutton lied?

Mr. Charlton: I think Mrs. Sutton probably

did not say what the member suggested she said. But I was not there; so I cannot confirm that.

I went to Whitchurch-Stouffville on August 4 at the invitation of the chairman or president of the concerned citizens' group, with the full knowledge of Mrs. Sutton. She is not the chairman of that group. She may be one of its public spokesmen, but she is not the chairman or president, whatever the title may be.

Mr. Hodgson: Who is the chairman?

Mr. Charlton: It is a woman named Mrs. Debbie Mitchell.

The Deputy Speaker: We are not supposed to have an ongoing dialogue.

Mr. Charlton: It might behoove the member for York North to have enough contact with that citizens' group to know who the chairman is. Mrs. Sutton happens to be one of the key spokesmen for the group.

Mr. Hodgson: You must have been with another group.

Mr. Stokes: You are out of touch.

Mr. Charlton: Totally out of touch. Perhaps the member would like me to read a letter from the chairman of the concerned citizens' group.

Mr. Hodgson: You don't need to read letters.

Mr. Stokes: You should go back and read the hour-long speech you gave here about a year ago.

Mr. Hodgson: Regardless of the fact that the member from the mountain came up there, we are getting things settled satisfactorily. He should slip up there tonight.

Mr. Charlton: Here is all the official correspondence from the Concerned Citizens of Stouffville, on its letterhead, from Mrs. Debbie Mitchell, who is the chairman or president of the Concerned Citizens of Stouffville. She has held that position since at least last summer.

Mr. Hodgson: She might have been president at the time you got the letter.

Mr. Charlton: It is time the member for York North got back in touch with what is going on in that community.

I was in Whitchurch-Stouffville last April and again on August 4, I believe, at the invitation of the citizens' group. I was also at an executive meeting of that group, by invitation of its chairman, in early December 1982. I do not recall the exact date. If the minister is correct, it was a Monday and it was probably the first Monday in December.

Mr. Hodgson: It doesn't make any difference to us. They didn't listen to you.

Mr. Charlton: I was there at the invitation of that group, and the unfortunate member—

4:50 p.m.

The Deputy Speaker: Order. I do not want to interrupt, but I want to bring to all members' attention that we are not to have an ongoing dialogue across the floor. The member for Hamilton Mountain does have the floor, discussing these concurrences. I ask him to continue more or less uninterrupted.

Hon. Mr. Norton: Nonprovocatively.

The Deputy Speaker: Nonprovocatively, if possible. However, that is up to his discretion and the Speaker's.

An hon. member: How much longer?

Mr. Charlton: In terms of how much longer is a good question. I suppose that depends on how much longer those across the way continue to interrupt and draw out the proceedings.

At any rate, public confidence in Whitchurch-Stouffville has declined to a level—in spite of the objections of the member for York North—where the citizens' group felt it was necessary, whether or not they support the negotiated settlement which the media has been speculating about over the course of the past few weeks, to go to the town council and ask for a plebiscite on the issue. Unfortunately, they were turned down by the town council; so they now feel they are in the situation of having to try to run that plebiscite on their own by running an ad with a tear-off in newspapers.

I suppose the member for York North will tell me this indicates the group is satisfied with the process that has gone on up to this point and that it is satisfied the agreement—or the speculated agreement, as the minister would like to call it, because it has not been confirmed yet—is going to be acceptable to it.

I did not advocate the expenditure of funds on a newspaper tear-off campaign to that citizens' committee, nor did I suggest to them the approach to the town council about a plebiscite, but it indicates a lack of confidence in the whole process that has gone on to this point and a total mistrust of the company, the ministry and now, to some extent, their town council as well, although I think they understand something of the bind the town council felt it was in, of having to find a way to provide what it did not appear to be able to get out of the ministry.

It is no different from a number of other

issues around this province. I want to deal with a couple of those as well.

Earlier, we talked briefly about the Pauzé landfill site in Tiny township, which in terms of what is known is much different from the Stouffville situation but no less a frustrating situation for the local residents.

In the Pauzé case there is no question that serious amounts of contaminants have migrated out of the Pauzé landfill site. That has been confirmed by all parties involved: the citizens, the town, the ministry and the operator of the site through the study which he commissioned at the direction of the ministry. There are a number of outstanding contentious issues, though.

Although they have identified a number of wells contaminated with trichlorethylene, up until this point at least, the minister and the ministry have maintained there is no proof that contamination comes from the dump site. That is basically and factually correct. There is no absolute proof that the contamination in question comes from the dump site.

On the other hand, if one looks at the map that was handed out by ministry staff at the meeting in Perkinsfield last night—admittedly it is a hand-drawn map, but none the less it is a map that was handed out by ministry staff and it shows the plume as it was set out in the Morrison Beatty study, which I repeat was a study that was commissioned by the site operator—it is interesting to note that the four wells that have been confirmed to be contaminated with trichlorethylene, while not all on the same side of the plume, all sit just outside the perimeter of the plume as it was defined by the Morrison Beatty study.

There is no other conclusion that any logical and reasonable person could come to but that the plume is in fact larger than what the Morrison Beatty study shows, and there is no logical or reasonable person who can but conclude that the source of contamination in those wells is no other than the landfill site.

The minister and his staff have raised speculation that the contamination of the wells perhaps is coming from illegal dumping at other than the landfill site—perhaps in a ditch along the side of the road, or perhaps in the middle of a field; I do not think that has been clearly defined.

If that is the case, either the illegal dumping is going on in a lot of different places in that township or the contaminants from the illegal dumping are moving faster than the plume of pollution from the dump site, because they

would have had to have been dumped on one side or the other of the plume of pollution and moved entirely around it, because we are talking about wells on two different sides of the plume which are contaminated.

The citizens are left with a situation where they just cannot believe what the ministry staff are telling them. Last night at the public meeting in Perkinsfield, they challenged the minister's staff, saying: "How can any logical and reasonable person say to us"—and there were 200 to 300 citizens at the meeting—"that you can't establish the source of that contamination? How can you say to us that it is likely a result of illegal dumping when all the clear indications are that it comes from no other source than the landfill site?"

The minister has said basically the same thing here in this House when we have raised it with him. His staff last night were under exceeding pressure from citizens of that community. His staff said they were not in a position to say they could absolutely prove the source of that contamination. But Mr. Embree said—I believe it was Mr. Embree, but the minister can stand and correct me at some point in the future if I am incorrect; and this is not an exact quote but a very clear sense of what one of the ministry's experts said—"If I were a betting man, I would bet that the source of the contamination was the dump sites; but I cannot prove it."

That kind of comment from the ministry staff is of no solace to the citizens of that community about where they are and what is happening to their future.

We understand the ministry is going to proceed to try to identify the real size and extent of that plume. At the same time, the ministry staff last night were telling the people of that community: "No, the site, even though it is proven that it is leaking, will not be closed. No, we have no plans at this point to clean up the plume. The site will continue to operate until the fall of 1984."

The site referred to has been very seriously mismanaged by the operator. I cannot blame all the illegal acts that have gone on in that site on the ministry, but I can certainly fault the ministry for not putting some pretty tight reins on the operator of that site, an operator it licensed.

5 p.m.

I raised with the minister during the course of the estimates last spring an issue that was raised with me by people from Barrie or from Vespra township. I did not even know where the Tiny

township dump was when I raised that issue with the minister. I had been contacted by people in Vespra township about a claim made by a Mr. Kenneth Carlson, a former employee of Chemical and Petro Waste Disposal Ltd.

The claim was set out by him in an affidavit saying that wastes from lagoons on the property of Chemical and Petro Waste Disposal Ltd., in Vespra township, had been pumped out, because those lagoons started to leak, and shipped to Peterborough where the waste material was put into oil storage tanks. Subsequently, about a month later, the company was called back to Peterborough to remove that contaminated waste from the oil storage tanks because it was eating the rivets out of the tanks. In this affidavit, which was duly notarized, Mr. Carlson claimed that on three nights that waste was moved from Peterborough to the Pauzé dump in Tiny township.

The ministry records, unfortunately, showed that the waste went to Sarnia, to Tricil, for destruction. We had an investigation as a result of the affidavit and the accusations that were made in it. What the investigation found was that the accusation contained therein was correct. The waste had not gone to Sarnia to Tricil at all. It went to the Tiny township dump, in the middle of the night, on three nights. This was waste, I remind you, Mr. Speaker, that was eating the rivets out of oil storage tanks in Peterborough.

I learned last night from one of the ministry staff in Perkinsfield, the site of the public meeting over the Pauzé dump site, that unfortunately the CPWD waste that went from Vespra township to Peterborough and to Tiny township, which the ministry thought went to Sarnia, ended up mixed with a very grey and slimy material that the ministry tells me came from a paper company.

It is a mixture of clay and paper processing waste, now mixed with what is obviously a very strong acidic and probably toxic waste that came from CPWD in Vespra township, all of which is at present sitting open in a pit at the back of the dump site, a pit which several of the local residents discovered and reported to the town council, a pit which was covered over that night after they reported it to the town council. It was covered over with a very fine layer of clean sand so that it was no longer visible.

The pit was filled with a grey, slimy, toxic mess, which made a number of other local residents, one of my staff, the staff of the Canadian Environmental Law Association, and

myself feel dizzy, headachy, etc. Among other things, the ministry staff confirmed last night that, although this substance is not in the range of our really serious toxics, it is dangerous, at least in the concentrated form it is in in that pit.

They do not seem to have the concerns that I or the local residents have about how toxic it will be if and when it gets into the water table and moves out of the site as other contaminants have done. They feel it will not be very dangerous once it has been diluted, but they agree it is a dangerous substance sitting in an open pit in the back of a dump site with absolutely no fence around it.

Not only is there no fence around the site, but this pit I am referring to sits right beside a very beautiful reforestation area, a nice pine bush, the kind of place that if I was 25 years younger I would probably be every Saturday afternoon playing and hiking with my friends.

We had one resident, Mr. Les Dekany, who unfortunately walked out on to the very light sand cover which was put over that grey, slimy mess and went in up to his waist. It resulted in a very sore burn rash from his waist down on all parts of his lower extremities.

The ministry staff reported to me last night—and I concur with their position—that as a result of our raising the issue and as a result of their now having tested that material to confirm what it was or what it was not—and I do not think they have finished all of the testing, but they have done enough now—they are going to recommend its removal, which was what I suggested in a letter I sent to the minister, along with a number of other issues which I understand will take somewhat longer to answer. But I was glad to hear that from the ministry staff last night.

On the other hand, I have a serious concern about why that pit was sitting there unprotected in that kind of a condition. Last night, the minister's staff told me that most of that material was put there in 1978, both the stuff from the paper company and the stuff from Chemical and Petro Waste Disposal, and was dumped there illegally. We know the Chemical and Petro Waste Disposal stuff went in in 1978. I will take their word for it that the paper waste, the clay mixture, went in there in 1978.

So we are talking about 1982, when I saw it, and now we are into 1983. This stuff is sitting there totally open and exposed except for a light covering of sand which went on in late November 1982—not in 1978 or any time in between. This is waste which could kill some child who

happened on it; waste which I have some concerns about getting into the water table eventually, but again I am not an expert in that field and I do not know what potential danger, on its own, that waste has.

Even if the ministry staff could convince me that the chemical content of that waste on its own may present no problem if it gets into the water table, I would still have some concerns about what happens if and when it mixes with other wastes, like the trichlorethylene, which we know exists in large amounts at that dump site, and other contaminants which we have not even identified yet that may be in the site. I have no idea what else has gone in there, nor, at this point, does the ministry staff, because most of the industrial dumping which went on there over the years is either before the ministry monitored those kinds of things or went in illegally. There is no clear record anywhere, as I understand it, of all that went into that dump site, either in the distant past or in the recent past.

We have identified some of those things because we have identified a plume and we know the major contaminants and the minor contaminants in that plume, but nobody is certain of the full extent of the problem around that site and nobody is going to easily convince those citizens they really have nothing to be concerned about. Nobody is going to convince those citizens that allowing that site to continue to operate until the fall of 1984 is not going to add to the potential problems for the future.

They know the site is leaking. They cannot prove, and neither can the ministry at this point, that what has leaked out has affected any of those wells, but they are convinced of it. I think Mr. Embree's comments last night indicate that he is convinced of it. "If I were a betting man," he said, "I would bet the dump was the source of the contamination in the wells." That is not an exact quote but that is what he said.

5:10 p.m.

He also said the site cannot be closed. They have no plans for specifically cleaning up the plume. In fact, he gave an indication to the public meeting last night, which would seriously concern those people, that what would probably happen was they would provide an alternative water supply for those whose wells the plume got into but that eventually it would dilute enough that the problem would go away.

They also said at the meeting last night that there are no immediate plans for any remedial action to try to stop what obviously is a continu-

ing problem. If stuff is leaching out it is still leaching out. I understand they are going to expand on the hydrogeologic study that was done by Morrison Beatty Ltd. I understand they are going to try to correct what they consider some of the shortcomings of that study, but the community cannot understand why there is not more decisive leadership and action from the Ministry of the Environment.

I think the press reports from last night will indicate that what I am saying is true, because I did not play any role in that meeting. I was invited to go up there and I asked one question, that is all. The only involvement I had in the meeting was that I asked one question of Mr. Gray, with whom I have had some contact before and who I have some respect for. I have set that out for the minister on another occasion.

I asked him one question in response to a question he has asked us. I did not play any other role in that meeting last night. I just sat and listened to the questions the citizens raised with the staff and I listened to the responses which came from the ministry staff.

I am not an expert in a number of the fields that were being discussed but the answers that came from the ministry staff, and I have no way of knowing in some cases whether or not they are accurate, did not come even close to satisfying the public concerns that exist in that community. From my perspective, that is another failure in terms of what one of the minister's colleagues said yesterday was his function and his role. The Minister of Consumer and Commercial Relations (Mr. Elgie) said yesterday: "As a minister, I am a public servant. My job is to serve the public and its concerns." He said something along those lines.

That perception does not exist in Stouffville and it does not exist in Tiny township. The minister is aware of the other concerns I have about the Tiny township site. I have set them out in a fairly lengthy letter to him to which his staff have given an interim response.

I think it was referred to the regional staff and they are following up on some of the issues I raised. I am glad that is happening and I am glad that as a result of our raising those issues they are at least going to clean out that one pit which is sitting open and which could provide a serious hazard to some young kid or, for that matter, even some drunk wandering through in the middle of the night. He would just disappear and nobody would ever see him again.

I want to move to another situation which was brought to my attention which I want to empha-

size to the minister. The member for Algoma-Manitoulin (Mr. Lane) is here as well and perhaps he can add some insight to this, because I have had some difficulty finding out exactly what the situation is. It is a situation in Howland township, which is on Manitoulin Island. I do not completely understand it and I will admit that at this point. However, I did ask some preliminary questions of the ministry staff but we have not got into a detailed discussion of this one yet. I have to do that.

There are a couple of aspects of it that bother me, and which I want to raise with the minister here today, that relate to the public relations side of the question in terms of what the public feels is happening in that situation in Howland township. The situation involves contaminated waste at a sawmill, both sawdust waste and wood waste contaminated with—I do not even have good documentation on what the contamination is; all I know is that everybody agrees it is contaminated waste.

The problem is that the ministry has ordered the owners of the sawmill to clean up the waste around its site and find a suitable place to dispose of it. Somebody by the name of Don Eadie, who owns a parcel of land, has offered that land as a disposal site for the contaminated wood and sawdust waste from the sawmill. The sawmill is operated by Green Cedar.

I will get into the technical side of the issue with the minister's staff because I do not have good information on it at this point as the citizens are not experts, but my concerns here are with the process and with the public relations side of it, with the feeling that is left with the people involved.

I do not know if this is correct, and perhaps the minister can respond to this part of it: the citizens have the feeling that this proposed site has already been exempted by the ministry from an environmental assessment. I took a quick scan through the Ontario Gazettes I could find—I did not have all of them unfortunately—and I did not see this particular site mentioned, so I am of the opinion that it has probably not already been exempted, although there may have been some discussions about an exemption, I do not know. However, the people in the community are left with the impression it has already been exempted from an environmental hearing. Whether or not that is true, somebody is doing a bad PR job out there, because that is the impression of the people who live on the property right next door.

At any rate, there is an application for an

approval of that site. I want to bring out a few things they did send me, which have gone out around that community through the media and so on, which the member—

Mr. Nixon: Mr. Speaker, I wonder if the member would permit a question. I would like to ask if it is possible for him to assure some of us, who have been listening to his comments with interest, that there will be time remaining before it is all used up to raise a couple of local, line-fence problems with the minister.

Mr. Charlton: I will be wrapping up very shortly.

Mr. Philip: That is on condition that member will then leave me a little bit of time for three or four minutes at the end.

Mr. Charlton: At any rate, Mr. Speaker, we have a situation where there has been some local press. Again, I do not have enough information to know whether it is just a total misunderstanding or whether some of the allegations that have been made and put to me are correct. I will have to do some follow-up on those issues with the ministry staff.

Mrs. Delabbio, a member of the family that owns the property next door, is one of the concerned citizens involved. She raised two issues that concern her very much. I am going to throw out a comment that she made to the press, just as an indication of the things I am talking about. This lady owns a vacation property on Manitoulin Island. She lives in Sudbury, Ontario. What was one of the first comments she made to the press about this issue? "We do not want another Stouffville." It is not only the perception in Stouffville that the ministry has not been relating well to the community, but that impression has spread all the way to Sudbury, or Manitoulin Island, wherever they happen to have read about the Stouffville issue.

5:20 p.m.

Their concerns are twofold. There is a stream running right through the back of this property where they are proposing the landfill site, a stream which also runs across her property. She is worried about contamination from this site getting on to her property. That is a perfectly legitimate concern on her part, because she has been led to believe there will be no environmental assessment hearing at which she can be convinced there will be no problem. The minister will agree an environmental assessment is supposed to ensure that a particular proposal is necessary in the first place, that it is environmentally sound as a proposal, that it is the best

alternative and that there are not some better alternatives available.

One of the other major purposes of an environmental assessment hearing can be to distil and to calm public concerns about a particular proposal. She has been led to believe there will be none. She is convinced that if there are wastes put on that property they will end up on her property through the course of that stream. She is also very concerned about what appears to be a serious contradiction—I do not know on whose part. The ministry may have no intention of allowing this project to proceed; if they do not they certainly have not let anybody know.

In a press report back in July 1982, Mr. Sloan, a ministry staff member from the Sudbury office, is quoted as saying the company had moved some of the waste materials to a local gravel pit but were stopped from doing that because the pit did not meet the environmental requirements.

That is fine. The ministry stopped something. It was not suitable. It did not fulfil the requirements. In July 1982, Mr. Sloan went on to say there are no areas on Manitoulin that meet the requirements. Now we are proceeding with both an application for change of zoning and an application for approval as a landfill site.

What does that mean in public confidence, in the ministry's relationship with the people in the community? What kind of taste does that kind of thing leave in a citizen's mouth? That is why I am raising this issue. Ministry staff are quoted as saying there is no site on Manitoulin Island that will meet the requirements of an industrial waste disposal site, and yet we are proceeding with what appears to the citizens to be a steamroller approach to getting one put in place.

I will have to ask the staff about all the specifics, but the minister can see from the comments I have made that kind of thing should not be allowed to go on. The people in that community have to have confidence in the ministry and the officials of the ministry who are involved in that area. What is really going on has to be made very clear to everybody concerned and obviously that is not the case.

I will leave that issue for the moment and proceed to talk for a brief period about the federal-provincial joint task force on Inco and Falconbridge emissions. We in this caucus were reasonably happy with that study and report and the technical documentation that was set out therein. We were also very pleased with the way

in which it was presented to us. It was probably the first time—that I have seen anyway—the task force took the time to set out that document in language I could understand. The member for Nickel Belt (Mr. Laughren) could understand it, and probably even a fairly large number of average citizens in the community, who might take an interest and go to the library to look through it, could understand it.

I think we were not quite so happy with the apparent recommendations of the task force. It appeared to suggest that in the case of Inco emissions should be reduced from approximately 1,950 tons per day to around 1,000 initially, and that future reductions be left in the hands of the ministry. We would much prefer to see that task force set out a proposed time period control order, a 10-year program of reduction. That is basically what we took upon ourselves to do in Sudbury a couple of weeks ago, based on the documentation set out in that report.

I understand my colleague, the member for Nickel Belt, will be coming back in to make a few comments about what we propose, so I will not deal with the specifics of our proposal at this point. If the member does not get back in time to do that, we will consult with the minister on it. There is one aspect I do want to deal with and that is the question of how we proceed from here with that report, and how do we deal with implementing some kind of pollution abatement strategy at Inco and Falconbridge. We clearly understand that neither of those companies falls under the environmental assessment legislation in this province and they are not eligible at this point for environmental assessment hearings.

However, we think we know what the opinion will be if there is no public hearing process. People will think, as they have in the past, that the ministry took the report, sat down with Inco and Falconbridge and negotiated whatever was the most acceptable approach to the two companies in question. That is not acceptable either now or in the long term.

In Ontario, and perhaps for some of our southern neighbours as well, Inco has become the symbol of the sulphur dioxide emission problem in Ontario. It is the biggest single source in the entire world. It is a symbol not only of acid rain pollution but of inaction over the last 10 years on the part of this government and this ministry in dealing with that problem. It is the symbol of the point at which this government and this ministry get very serious about dealing with the acid rain problem.

When the public of Ontario perceives a really tough, well-thought-out effort on the part of this ministry to clean up those two operations, specifically the Inco operation, then it will start to believe some of the other pronouncements that have been made by this ministry and this minister. At this stage, the public does not see that and does not yet believe what is said. It all relates to the public perception I have been talking about this afternoon. The public image of this ministry is in bad shape.

The proposal we have set out includes public hearings very quickly. It is our opinion that since it is not going to be under the Environmental Assessment Act, because the legislation does not apply, the minister could quickly set up a hearing panel that could be advertising the dates for public hearings within a couple of months. Public hearings could be held during the course of the late spring and early summer.

We could have a draft control order come out of those public hearings by this fall; or we could work the other way around, we could have a draft control order come out of the ministry now and proceed to public hearings on that. Either way would satisfy us, but if we do not have those public hearings and that public input, I do not think this party, the official opposition, the Sudbury community or the people in Timiskaming, who are seriously concerned about pollution from Inco moving north and east into the Timiskaming district and destroying its lakes, are going to be satisfied with the outcome.

We have set out in our proposal a pretty strict application of the technology. That is set out in the report in two perspectives. One is to achieve the absolute maximum in reduction of emissions. In Inco's case, that would be from 1,950 tons a day to 43 tons a day at the end of a 10-year phase-in period, and in the case of Falconbridge from some 450 tons a day at present to 70 tons a day over the course of the 10 years. About 6,600 jobs would be created in a community that dearly needs those jobs.

We have set out some funding proposals to assist the companies in the financing of what we have proposed. It is a costly program but achieves the maximum in pollution abatement and provides the maximum number of jobs we could find set out in that report for a community which is the hardest hit community in Ontario in terms of unemployment. It is a proposal that will create a number of byproducts in secondary industry options. At the end of the 10-year period there will be a number of new industrial

job creation potentials as a result of the proposals we have made.

My colleague the member for Nickel Belt had intended to come in and comment. If that happens that will be very good, and if it does not we will certainly be talking to the minister about it shortly.

Mr. Nixon: Mr. Speaker, we do not want to interfere with the minister's opportunity to reply, but I do want to bring to his attention a situation that is of serious importance to my constituency. I am the member for Brant-Oxford-Norfolk and this involves the restructured county of Oxford.

For the last number of years, under the leadership of the county council, particularly the present warden and the previous warden, a new dump site has been planned and every indication was that this was going forward. As a matter of fact, the engineers and the experts in the county of Oxford have benefited from the best advice available from the minister's staff. The minister will recall that his predecessor used to be the member from Oxford and undoubtedly was able to persuade his staff to take a close look at what was going on there.

One can imagine the county council had a certain degree of confidence after spending hundreds of thousands of dollars in the planning of the site and the acquisition of the property. It found that the local community, as is its right, had undertaken some objections which of course were expected and I believe a hearing was held by the Ontario Municipal Board. After all these careful plans, the municipal board found from the facts that were presented by the experts that the planning had been inadequate and would not permit the dump site to go forward.

I am sorry I do not have the time, nor do I have the papers with the detailed information here. I suppose this was a great victory for the people objecting and I am normally speaking in favour of that side in these arguments—and they may be correct—but the county was doing it in what was considered to be the official and appropriate way under the direction of the ministry officials. It looks as if almost \$1 million of taxpayers' funds have been completely wasted and the county council is not even back at square one. It simply does not know what to do under these circumstances.

We have complained about many of these hearing processes in the past, and I would be the last to say that the community ought to have a dump imposed on it. Obviously it would be ridiculous for me to say that, both politically

and because I am not an expert in this area so my opinion is not worth very much. Some criticism should be directed toward the ministry, however, for allowing this process to go forward in a way that led the democratically elected county council to undertake a program that was then simply shot into the corner pocket and lost entirely. This was because the leadership and the advice were seen to be inadequate and must have been incorrect.

I want to express these views as we complete these estimates. If the minister does not have a chance or is not knowledgeable enough right at this moment to respond, I look forward to hearing from him at another time.

Mr. Philip: Mr. Speaker, I want to raise a couple of issues I have become aware of. I have had a number of interesting conversations with Bob Hill, the executive secretary of the Canadian Union of United Brewery, Flour, Cereal, Soft Drink and Distillery Workers, whose union hall just happens to be in my riding. Also, I have been concerned about the environmental issues and the problem of returnables versus nonreturnables.

Many of the members of that union have the same concerns I have about what is happening in their industry. I found interesting the discussion paper the minister sent around to each of the members. I am sure it has been distributed fairly widely. I think all of us suspected some of the facts in that discussion paper which now are confirmed. I hope some of them are his concerns, because they certainly are my concerns.

In particular, the discussion paper points out that with the banning of the 1.5-litre refillable bottle in 1979, there has been a decrease in the ratio of cans to bottles. With the heavy discounting that has taken place to promote the 24-can flat, cans now are estimated to have a 50 per cent share of the market.

The paper points out on page 8 an interesting option which we in this party have supported over the years, as indeed have various ministers. I can remember having discussions with the member for Burlington South (Mr. Kerr) when he was minister, and with other ministers, about whether the government should change the legislation to strictly enforce, at least on an interim basis, the existing agreement ratio of 75-25 refillables to nonrefillables.

That makes a lot of sense. When one goes into a supermarket or gas station, one is confronted with the Coke-Pepsi fight that is going on now. It is perhaps even more violent than the fight between the New Democrats and the Conserva-

tives and is carried on with even more enthusiasm and more advertising. The sad thing is, when one looks at it, it is always cans that are being discounted and cans that are being pushed.

I suggest to the minister that from an environmental point of view, as well as from the point of view of protecting the jobs of the people in my riding, the Ministry of the Environment has to keep some of the promises that previous ministers made. In the long run, I hope that at least in the soft drink industry one could move to a totally refillable system. If we look at what has been done in other jurisdictions, we can see this is possible.

On page 8 and the following page of the report, there is an option which is clearly identified for the minister and which has been given lip-service. I had prepared interesting quotations from four or five of the previous ministers showing that they wanted to move in that direction. Yet we find we are very slow in meeting that kind of objective of 75-25.

I ask the minister to look seriously at the problem not only from an environmental point of view but also from the point of view, as he will recognize in the literature, that moving towards the nonrefillables is actually job-creating on a long-term basis. I hope he will look at that and give us his position on that.

In view of the time, I will relinquish the floor to other members.

5:40 p.m.

Mr. Laughren: Mr. Speaker, before I commence my remarks, may I assume that the Minister of the Environment has received the document which I forwarded to him a week or so ago on the emission levels from Inco and Falconbridge in the Sudbury basin? If he has not, there is something strange about the—

Hon. Mr. Norton: Do you mean your press release? Your communiqué?

Mr. Laughren: I am glad the minister has received that.

Mr. Charlton: Has he got it?

Mr. Laughren: Yes, he has it. My colleague the member for Sudbury East (Mr. Martel) and I read the federal-provincial task force report very carefully and went through all the options presented by it. The task force stated unequivocally that there must be emission reductions in Sudbury. It made some very persuasive arguments. I hope the minister takes those arguments to heart.

One of the arguments it made was that if we are to be serious about our international obliga-

tions and our negotiations in reducing acid rain, we have to do something about the number one symbol. The number one symbol in North America for acid rain is the Inco operations. We think it would help the minister if he were to take the recommendations of that task force seriously.

The task force at first blush did not do what I thought it should have done but, having read it more carefully, I think some of my original statements about the task force were somewhat hasty. They did present some options for the first time that laid before the minister, and anyone else who is interested, the different options available, the technology, the costs involved and what would happen in terms of jobs in the Sudbury basin.

This is the first time that I have ever seen anybody lay all those things out before us. In the past, there has always been the excuse that (1) the technology was not available, (2) it was too expensive or (3) it would cost too many jobs. Now, for the first time, we have available to us information that lets us make some very precise decisions knowing full well what will flow from those decisions.

I hope the minister appreciates what the task force did. Now we will see where the minister stands in this regard. Two out of three local members from the Sudbury basin, namely, the member for Sudbury East and I, have stated unequivocally where we stand on the position. I have not heard from the member for Sudbury (Mr. Gordon) yet.

The United Steelworkers of America, Local 6500, which represents the employees at Inco, has stated that it supports our position; so the minister or anyone else need not pretend that the loss of 600 jobs in the long run is reason for ignoring the recommendations of the task force or our recommendations on what should be done.

In the long run, the task force states that within the next 10 years, if they implemented our proposal, it would reduce Inco's emissions from 1,950 tons a day to 43 tons a day, and that includes the iron ore recovery plant; so it is not only the superstack at the smelter but the iron ore recovery plant stack as well.

Can members imagine what it would mean to have emissions from that operation reduced from almost 2,000 tons a day down to 43? That would be a remarkable improvement. It would be a symbol of our seriousness in reducing acid rain.

Mr. Charlton: It would make the minister world-famous.

Mr. Laughren: Yes. As a matter of fact, if the Minister of the Environment wanted to bring upon himself the mantle of the crusading Minister of the Environment, this is how he could do it.

I know that the number one problem out there is cost. That is what seemed to be the obstacle. It has been the question that has been put to us. The question that is always put to us is, what about costs? Surely Inco and Falconbridge are in a position now that they cannot afford to assume those kinds of costs.

What we are saying is that, according to the task force, there will be a cost of \$524 million, I believe. Even if we inflate that to \$600 million to round it off, which is a pretty luxurious rounding off—nevertheless, just to state a figure that is not too low, let us use the figure of \$600 million—the federal Department of Energy, Mines and Resources has stated that if it were to cost \$600 million to install pollution abatement equipment, the cost to Inco would be \$270 million because of the tax advantages.

What we are saying is that we recognize the cash flow problems of Inco and Falconbridge. In this particular case, let us talk about Inco. Even though there is an enormous tax advantage there, one has to be earning profits to realize the tax advantage. So in these early years, when there is a very serious cash flow problem, there should be front-end-load assistance by the provincial ministry and the federal department. We do not believe that it should be in the form of grants. We believe, as the government believes, that the polluter should pay. I assume that principle has not changed since this minister assumed his responsibilities. We believe that if assistance is to be provided, it must be in the form of either loans which should be repaid, loan guarantees or equity participation in the company.

We know that the third item is probably not acceptable to this minister and this government, or perhaps even to the company. I am not sure of that, but we suspect it. Therefore, what we are saying is that this government should look at those options, because assistance is going to be required in the early years if we are going to get on with this. We are proposing it as a 10-year program, and we state unequivocally that we have opted for a long-range solution to the problem rather than a quick fix which would reduce the emissions much less.

We feel very strongly that in the long run we

all will be better served if the very tough, very stringent requirements are imposed upon the company.

Finally—and I hope the minister will listen to me for a moment rather than to the Speaker—the minister should think very seriously that, first, a control order should be issued, not imposed. The control order should have emission levels which the minister feels everyone can live with. We have told him what we think they should be. Second, the new draft control order should be held out there for public debate, there should be public hearings held on that draft control order and then, flowing from those public hearings, a control order should be imposed upon the company.

That is what we would like to see done, and I hope there is time for the minister to respond.

5:50 p.m.

The Acting Speaker: With unanimous consent, the House could continue to six o'clock to hear the response by the minister, because otherwise we have exhausted the time allowed for this concurrence. Is that agreed?

Some hon. members: Agreed.

Mr. Mancini: What was that again?

Mr. Stokes: Sit down.

The Acting Speaker: The member for Essex South, if it is not unanimous, we can adjourn. Is it unanimous?

Clerk of the House: Put the question.

The Acting Speaker: Is it agreed that the House will continue?

Some hon. members: Yes.

Agreed.

Clerk of the House: Put the question "Shall this resolution be concurred in?"

An hon. member: We are going to do that presently.

The Acting Speaker: I thought we would give the minister a chance to respond and then we would put the question.

Does the House agree to hear the minister? I believe it does.

Mr. Laughren: We already have.

The Acting Speaker: Then the minister may speak.

Hon. Mr. Norton: Mr. Speaker, I am overwhelmed by the generosity of the House, especially in allowing me nine minutes—

Mr. Nixon: Eight minutes.

The Acting Speaker: I will be stricter on the timing with yourself.

Hon. Mr. Norton: —to respond to two and a half hours of provocative and, at times, insulting diatribe. Perhaps I can respond to some of it.

Obviously much of what has been raised is very complex and it is impossible to respond adequately in the few moments available to me. But there are a few things that ought to be addressed, and I will simply touch upon them in the time available.

I will go back to the opening remarks of the member for Hamilton Mountain (Mr. Charlton), and I will try to pick some from the other speakers as well. The member made the allegation, as is commonly done, that the Environmental Assessment Act is not being complied with, saying that it ought to be called the environmental exemption act and so on.

Mr. Charlton: I said that was the public perception.

Hon. Mr. Norton: Yes, and I am sure that when the member has the opportunity, he supports that perception.

The facts, though, do not bear out that allegation. We now have some figures on the past year indicating that of 90 environmental assessments that were officially submitted to the ministry, there have been 53 final decisions—in other words, where the assessment has gone through the whole process—23 are still under active review and pending decision by the minister and one is pending a decision by the board. Out of the total of 90 in the past year, the number that have been submitted and exempted is eight. That is not consistent with the perception that some of the members opposite like to promote here and across the province.

If the member looks over the years, he will come up with different figures, because he has to bear in mind that during the period of the introduction and implementation of this very complex legislation there were many exemptions for those grandfathered projects that were under way and in certain stages of planning prior to the introduction of the act.

It is true that the numbers were greater in the earlier period, but to continue to propagate that misconception flies in the face of the facts. Now that he has those kinds of accurate figures, I hope he will promote the accurate perception as vociferously as he has the other in the past. I will be glad to provide the member with the necessary background material as long as he can give

me the assurance that he will assist in promoting the truth across this province.

The whole question that the member raised, dealing with the perception of the ministry and the question of confidence on the part of members of the public, obviously bothers me as well as the staff of the ministry. It is not, I think, for the very reasons that he chose to cite. That is perhaps one of the things that to a greater or lesser extent, and I hope it is a lesser extent, we may have to live with for some time, partly because of the very nature of the work the ministry is engaged in.

I do not know whether there is any way in which that can be turned around short of a totalitarian society where the media become organs of the state. As long as the newspaper and electronic media industry in this country depend on promoting their sales by focusing upon the sensational things which are most saleable, obviously that perception is likely to be promoted because there are many emotional issues related to the environment, especially when there is some suspicion that it may impact upon human health.

The member has seen that. I am sure if he is honest with himself he has seen it in Stouffville where, for example, the testing was done and was discredited by the scientific community. It got much broader coverage in the media than did the constantly reliable and, in the scientific community, undisputed work and testing that was done on that water by the staff of my ministry and by other laboratories that were brought into the picture to corroborate the work being done by my staff.

There is no doubt that in the Ministry of the Environment we have, particularly in this area, the most competent people working in that field anywhere in the world. We have been at it longer than others, and our laboratory is second to none. Yet I agree the perception is not that; it is most unfortunate. The work being done by the staff of my ministry in terms of environmental protection is something that Ontarians ought to be standing up and proudly proclaiming. That is not happening because to do that we would have to either launch a multibillion-dollar advertising campaign or have some kind of control over the media which none of us would want.

I think we will reverse that over time. Over time, that will change as more of the critically sensitive and emotional situations we face are resolved and as people recognize that we have dealt with the whole thing competently, as we

are doing, and when the results are there as, for example, will be the case with Stouffville, Pauzé and all the other very difficult situations we are dealing with. Give us time and the people will understand that we have dealt with those responsibly, because in the end that will be evident.

While emotion is running high, it is difficult to alter the perception especially when, and this is not intended to be a provocative statement directed at the member, there are individuals in society—

Mr. Charlton: Name one.

Hon. Mr. Norton: Some of the retreads from the 1960s. I refer to the individuals who still thrive, not on substance but on process, and on trying to seize upon the sensitivities of a community to feed their own egos and so on. That is not generally true, but it is still true of some individuals. It is a carryover, a throwback.

But, as a society, we are moving into a new era where I hope substance and accomplishment, the likes of which my ministry represents, will be seen to represent the quality and the new wave of dealing responsibly with issues rather than getting carried away with frigging around and arguing constantly over process.

The member has seen it himself even in the past year. Some of the individuals involved in particular groups—not everybody, but some individuals—have attacked us on both sides of the same issue. One year they attack us because we did not do what they thought we should be doing. Then, during the course of a few months or a year, the ministry takes a strong position that ought to be seen as consistent with what they were arguing for before and they attack us from the other side and say we should not be doing that.

That lack of consistency, and in some cases a lack of integrity, does not help the image of the ministry when the media seize upon it. On the other hand, one has to have some confidence in the correctness of one's judgement and stand and be accountable before the people when the time comes. I am prepared to do that. I am not going to get alarmed. I am not going to run scared because of image. Ultimately the wisdom of the people will prevail and they will see that what we are doing is right and has been the most responsible way to approach these issues.

I wish I could deal in greater depth with all the other things the member raised, but I am sure we will have other opportunities as time evolves.

Resolution concurred in.

ANSWERS TO QUESTIONS
ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, just before we call it six of the clock, I would like to table the answers to these questions. I would also like to

indicate there has been some confusion as to whether we will be sitting tonight. I am informed the heat is back on. It will be warm enough here; so the House will be sitting tonight.

The House recessed at 6 p.m.

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Ontario

No. 185

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Tuesday, January 18, 1983

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Information Services Branch, Ministry of Government Services, 5th Floor, 880 Bay Street, Toronto, M7A 1N8. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Tuesday, January 18, 1983

The House resumed at 8 p.m.

CONCURRENCE IN SUPPLY, MINISTRY OF COMMUNITY AND SOCIAL SERVICES (continued)

Mr. Boudria: Mr. Speaker, the estimates of the Ministry of Community and Social Services were passed very early in the year, which is different from a lot of other estimates we have done lately. We did, however, cover to a certain extent one of the topics in some detail last night. That was the situation regarding general welfare assistance and other income maintenance areas. As members will recall, that took all evening, so tonight I will not make many comments on general welfare assistance because, as I previously stated, it has recently been covered quite well.

I would, however, like to make some comments on certain areas of concern with the Ministry of Community and Social Services. There are many areas that concern all of us, because that ministry is a very important one in this province and provides a very vital service for people in need.

The first area of concern I would like to mention is that of child abuse. Not long ago, we saw the report on the Kim Anne Popen situation, a report that in my view took a very long time to prepare. We are not sure what it will achieve yet. During the press conference at which the Popen report was released, the minister himself said many of the recommendations had already been implemented. On the other hand, since the release of the Popen report we are seeing new cases which in many ways resemble this case, though of course they are not identical. Children are being abused and the situation has not stopped.

We also have a new Children's Act, which I recognize is only a consultation paper at the present time, and the minister is willing to consider everyone's opinion before making this into some form of legislation. The minister has used a very good approach in putting out a consultation paper. He has stressed to various groups that he is willing to listen to all kinds of opinions before coming out with the final draft of the bill.

It is good that he is stressing this, because there are quite a few people who, when they see new legislation or proposals, are always apprehensive that the minister may only be looking for confirmation of an existing opinion. From the way the minister has handled the new Children's Act, it seems obvious that is not what he wants. He wants a good and thorough discussion in all areas and I am glad to see that.

However, I do have one concern and this is not on any particular section of the act but rather on the philosophy of the act, which seems to be the preservation of the sanctity or the integrity of the family unit unless absolutely necessary for the state to interfere with that unit. That seems to be stressed at various places in the new act.

As I understand what we are doing without this new act, it seems to be the reverse. It seems to be the protection of the child first and foremost. I see a different thrust in this new legislation and many others have seen it that way as well. I am just looking at an editorial in the *Ottawa Citizen* of December 9 which is entitled, "The Family Versus Abused Children." I will not read this at length, because I have various areas that I would like to cover and I recognize we have only two and a half hours for all parties and all members to express their views on these concurrences, but I would like to read one or two paragraphs. They are discussing this new act that the minister proposes and it says the following:

"The ministry proposals as written appear to make that task more difficult." In other words, the task of protecting the child. "As George Caldwell, executive director of the Ontario Association of Children's Aid Societies has said, 'You can't provide adequate child protection if you don't have the authority to apprehend a child and bring it before the court except in high-risk cases. Unless the ministry can satisfy child care professionals that its recasting of CAS custody powers won't inhibit their ability to protect children, it should rethink its proposals before they are embodied in legislation next year.'"

That is a concern that various people have expressed. I was at the annual meeting of the

Ontario Association of Children's Mental Health Centres and so was the deputy minister of course. Various people expressed that opinion there as well. They were concerned about what seemed to be a threat emerging from that.

I had a meeting recently with Dr. Cyril Greenland. I am sure all members will be aware that Dr. Greenland is a professor at McMaster University who has written numerous books on child abuse, mental illness and other areas of social policy. Dr. Greenland shares that concern and has expressed it to me and perhaps to other members. I would invite other members to state the case if they have experienced that concern with the proposed legislation.

Moving away from the Children's Act for a moment, in the area of child abuse we should discuss the child abuse registry. We know it has come under severe criticism over recent months because of its inadequacies and the fact that it is very seldom as complete as we would like that register to be. Because of the fact that it has such potential powers as a registry, there is a certain reluctance on the part of people in children's aid societies and other professionals to register people under that program.

That is a very big concern. If the child abuse registry is inaccurate, it does impede our task of trying to improve the protection of the child. We are going to have to come to grips with that issue. I do hope the minister will take one or two moments at the end to tell us if he intends to make any changes in that area as well.

We could spend the rest of the evening discussing the area of child abuse, but of course we will not. There are various other areas that I want to discuss as well and I understand that we are going to have our child abuse hearings in the next few months. I say this in all sincerity, notwithstanding some of the comments that the minister has made on our previous hearings, I hope we get the co-operation of all the members of this Legislature on the social development committee, which I believe did an outstanding job on the last report.

I know the minister does not share that view, or at least he did not share the view at the time he was asked the question in the House. Perhaps since then he has had more chance to peruse the recommendation and has come to a different conclusion. I hope he has, because I have looked through the report again and again trying to find out why the minister was very negative on the wife battering report and I really do not understand it.

8:10 p.m.

I think that report was a very good one. It is something that was done in a very nonpartisan way. The government members as well as the members of both opposition parties shared the views that were presented to us. We had full and thorough discussions on the issues. We made what I believe were very positive recommendations in improving the situation for women who are battered.

I know the minister has said in this House that men who beat their wives should be thrown on to the street with the muggers and all that stuff. Of course he is correct. Anybody who beats up his wife should not remain in the home situation. That is a very fine theory, except how does one achieve this? I thought our report addressed that and how that could be achieved.

We talked about morning-after court. We talked about the police laying charges. We talked about all of those things to try to resolve situations rapidly so that the woman can then return quickly to the home environment, where she should have been from the start. But one cannot evade the fact that a woman who has been beaten up at 3 o'clock in the morning on the third concession someplace in my riding or the minister's—I do not know if his has any rural component to it—is in a very poor position to evict her husband from the home.

Given the staff the Ontario Provincial Police provides in many areas of this province, it would probably be five or six hours later before any police officer arrived. Not that the officers are not dedicated, but there are just not enough of them to go around. In northern and eastern Ontario, detachments are quite far apart. They are just not there to provide those services.

The minister's statements on the day he criticized the report on wife battering for not being as complete—I think the terms he used were much more colourful than that—nevertheless, he stated that report was not as good as he felt it should be; those statements were made in an erroneous manner. I hope he will address that whole issue of wife battering tonight, the sections in the report that deal with his ministry and what he thinks he can do to improve the situation, in particular, the transition house area and also public education towards the issue.

I recognize of course that much of the report does not even deal with this ministry, because it deals with a variety of areas, some of which relate to the Attorney General's and the Solicitor General's ministries, some with the Ministry of Education and some with the federal govern-

ment. Nevertheless, many of the recommendations deal with this ministry and I would hope the minister would have a moment to address that issue later on.

I do think we should talk a bit about the question that was raised this afternoon by my colleague the member for Huron-Middlesex (Mr. Riddell) on the closing of the six institutions for the mentally retarded.

Shortly after the minister made his announcement in this House, we telephoned 20 of the 130-odd associations for the mentally retarded in this province. Granted, some of them were rather large associations—some of them as a matter of fact were the largest—but nevertheless, of the 20 we phoned we found there was a waiting list of about 519 people. Of course, there are still over 100 associations we did not phone.

If we have at least 500 and possibly 1,000 people on waiting lists now and we cannot find them a place to stay, it is difficult for anyone to believe the people who will be put out of these institutions will immediately be able to integrate in other places, will be able to reside in group homes and those other places the minister intends to put them. That would be difficult, looking at the 1,000 or however many there might be now on waiting lists.

The first thing that comes to mind is, if they can put those people in group homes, why are they not placing the ones that are on waiting lists already? It is a legitimate question. In the minister's answer today, I do not believe he responded to the part about the people who are already on waiting lists.

In other words, why do we not take care of the people who are on waiting lists and thereby possibly gain the trust of the community? They would then say: "It is quite obvious this is a very good move. We are taking care of the people on waiting lists and, because we have done such a good job of that, maybe we should close down more institutions and integrate them into the community." I believe the ministry has a credibility problem with some people outside.

I will read a Christmas card that was sent to me from Goderich, Ontario. It says: "Dear Sir, I hope you have a nice holiday. Make it one for the residents of the six centres Mr. Drea plans to close. Stop his plan. Anything you can do to protect the mentally retarded from being dumped out into the unprepared community will be deeply appreciated." It is signed by a person in Goderich. I will not read the name because obviously I did not have time to phone that person to ask his permission.

Various letters have been sent to members. I could have brought 30 or 40 into the House. I recognize some of them perhaps come from employees of institutions and they are acting to protect their jobs. I accept that, but we have also received letters from parents. There was an article in one of the Toronto papers about parents in their seventies who I think had a 49-year-old son. All of a sudden their son was going to be removed from an institution.

Basically they were saying: "Help us. What are we going to do?" What does one do with a 49-year-old son who suddenly comes out of an institution, especially when one sees there are already hundreds of people, and possibly more, on waiting lists? One becomes awfully worried that one's son will not find accommodation elsewhere. People who are perhaps 60 or 70 years old and are experiencing that type of situation have good reason to be worried. I hope the minister can reassure us tonight about all the steps he intends to take to reassure the community that if he intends to pursue this it will be done in a manner where there will be accommodation for all of them.

We are going to visit one of those centres tomorrow and one on Thursday to meet with the parents, staff and various groups in those communities. They have telephoned us over the last few weeks asking to meet us. We are going to two of them tomorrow and possibly try to see one or two more next week. Not all of them have contacted us, so we may not be at every one of those six centres but we are going to some of them, two of them this week. I wanted the minister to be aware of that before we go.

We should take a minute to talk about personal attendant care. This is an area that is not well known or well publicized in this province, as the minister well knows. Until the Advocacy Resource Centre for the Handicapped published its information package on this topic in April 1982, there was not much available information. This group claims—and I hope the minister can elaborate on it in the House—that there is not even a form to use to apply for personal attendant care.

They also indicate here that there does not seem to be a uniform way in which personal attendant care was adopted in the past. For instance, they adopted some on a one-year basis, some on a continuous basis; some that are rejected are very similar to some that are accepted. It seems to me that the written policy

on that is not as clear, to say the least, as other policies within the ministry.

8:20 p.m.

One has to wonder why care has to be provided by an order in council. Why is there not an established program by which a person can apply and obtain the care if he meets the criteria necessary? Why does it have to be done on a one-to-one basis in a cabinet meeting? It is a difficult thing to understand, and perhaps the minister could explain the history behind this. When it started there were only a few of them in the province, but now we are getting more and more of these cases, so perhaps a more structured program would be in order. If such is the case, perhaps the minister could inform us when he intends to establish such a program for the people requiring personal attendant care.

Earlier in this session, I introduced a private member's bill in this Legislature. It does not exactly pertain to this ministry, of course, but it has some implications, and I hope the minister responsible for social policy conveys the message to other government members to support my private member's bill when it is debated in this House. The bill is an act to amend the Election Act, and it is basically to provide a mechanism by which people who cannot go to a polling station are able to vote in their residence.

Manitoba has a system that operates through voting by mail, sending in the ballot by mail. It is now in effect in Manitoba; some 900 people used it in the last provincial election. We can only assume those are people who had not voted before. This bill is not meant to encourage people not to go to the polls; it is meant to assist people who cannot go to the polls, such as chronically ill people and severely handicapped people who have no mechanism of going to the polling station.

I want to be clear that is the intention of this private member's bill. Those people presumably do not vote now. If there were 1,000 of them in Manitoba and we have eight times the population in Ontario, there are probably 8,000 people here who could be helped in an election, 8,000 people who are now either voting by proxy or not voting at all.

I would suggest that although voting by mail is no perfect method for an election, it is certainly better than voting by proxy, which means they do not vote at all unless somebody else goes for them. If there is one voting mechanism that is not democratic, it has to be the proxy vote. In my view, this could very well replace the proxy vote.

The federal report entitled *Obstacles*, which was released last year and which I am sure the minister has read, advocated the establishment of such a voting system for the federal elections as well. I hope the federal government establishes a mechanism to allow people who cannot attend the polling stations to vote that way for federal elections, and I hope that all members of this Legislature will support my bill so we can have this for provincial elections as well.

I would like to take just one moment to discuss a case that happened in my constituency that has now been solved. I think it serves to illustrate a problem that was occurring in the Ministry of Community and Social Services.

I am referring to the case of Katie Hubbard of Vankleek Hill. She is a paraplegic who, through the vocational rehabilitation section of the ministry, took a course in day care in order to become a trained day care worker. While she was taking the course she worked at the Vankleek Hill day care centre. That sounds reasonable, as she was learning that kind of work. After completing the course she applied for a job at the Vankleek Hill day care centre. The municipality was very impressed with her qualifications and wanted to hire her, but the ministry would not allow it.

Apparently the ministry said she could not work in the day care centre because she was paraplegic, yet another part of the ministry had trained her, as a paraplegic, to be a day care worker. That is a very difficult situation. I wrote an open letter to the minister, which he will recall, and said that in my view in that case it was obvious there was a communication problem within the ministry. I used the expression that one arm of the ministry in this case obviously was not aware of what the other arm was doing. If it was, it was at least not respecting the opinion of the other arm of the same ministry.

In the last few years when we have had such an emphasis— maybe not enough but some emphasis anyway— on assisting the handicapped people of this province, it is especially important now to become aware of those kinds of issues. If Katie Hubbard has had this experience inevitably many other handicapped persons also have.

Katie Hubbard had an experience like this with two different arms of the same ministry. Imagine if she had been trained by the provincial government and then sought a federal or municipal job or something else. This was the same government, the same ministry, but two different parts that had created the problem. It

is very important for all of us to become increasingly attuned to some of the programs we have for the handicapped and how important they can be.

I would like to discuss very briefly with the minister an issue that involves a social policy. Perhaps the Treasurer (Mr. F. S. Miller) is the person who is stopping this issue from moving ahead or perhaps it is others in the cabinet. I am not sure. As the minister responsible for social policy is one of them, I would like to discuss the issue of the child-rearing drop-out provision of the Canada pension plan.

The minister will no doubt be aware it has been about six years since the federal government passed the necessary amendments so that we could have a child-rearing drop-out provision in the Canada pension plan. Provinces, one after the other, have opted to change the Canada pension plan to increase the benefit for women who leave the work force to raise their children.

For some members who are not aware of just exactly how this works, it is basically as follows. The number of years a woman leaves the work force to raise a child—I believe the child has to be under the age of six or seven—are excluded from the total number of years put together to calculate the pension that person will be entitled to when she retires. One after another, provinces have said this is a good idea. The ideal situation, of course, would be that women could contribute on their own when they are at home. But not even asking for the moon here, many people would be satisfied with saying: "At least, if the ministry did not penalize us for those years, we would be pleased; we would be satisfied."

8:30 p.m.

So provinces, one after another, have opted for this formula. The last one, I believe, agreed about this time last year. It was British Columbia.

Of course, all members would know that in order to change the Canada pension plan there has to be agreement of provinces representing at least two-thirds of the population of this country. If one excludes Quebec which has its own pension plan, Ontario has slightly more than one-third of the population of the rest of Canada put together. Therefore this government holds a veto in changing the child-rearing drop-out provision of the Canada pension plan. I am sure it recognizes that.

The Premier (Mr. Davis) has stated in various meetings that he was unwilling to make what he referred to as an isolated change in the Canada

pension plan. This means, of course, that if other changes were made at the same time he might be more agreeable. One has to wonder what other change he wants. The one that stands out is the increase of the premiums to the CPP. In other words he is saying: "Give me more increases in CPP and I will go along with your child-rearing drop-out provision." If that is so it is a very sad example of what the Premier is doing to the women of this province.

It is very unfair, because what he really wants is an increase in CPP premiums. Then he would not have to give back the money his government owes to the Canada pension plan already. In other words the government is holding the women hostage until it arrives at an increase in premiums so it will not have to pay the money back. If that is the case, I hope the minister responsible for social policy will raise those concerns in cabinet and arrive at a change very soon. It is high time that was done in this province.

The minister will recall I raised the issue of low-vision people in this province with him this afternoon. As I stated then, some 80 per cent of the 4,000 registered legally blind in this province are not totally blind but have restricted vision. Their vision could be made more functional if only they received more assistance from this government.

At that time the minister indicated he would look into it to see what could be done. He would review the refusals that had been previously made by his ministry. Perhaps he has obtained that documentation and could report to us tonight. I hope he is able to do so. I also hope his response will be somewhat positive but of course I can only hope. I must wait to find out when he makes his statement later.

I do hope the minister had a chance to watch the Fifth Estate on television in December, a program that featured this group. It explained the problem they had quite well.

The problem does not specifically stem from his ministry. We all recognize that. Nobody is accusing his ministry of being the culprit in the situation that exists here. These people have a need that has not been recognized by anyone—neither by the ministry nor anybody else. The situation could be corrected with a grant from his ministry to establish—perhaps that is not the correct word because an organization is already established—but to assure the proper and full organization of the Low Vision Association of Ontario.

A grant would enable them to produce cata-

logues of visual aids available and other kinds of useful documentation that they could then send to the blind people of this province, the 80 per cent who are not totally blind. Presumably 80 per cent of them could be assisted in regaining sight.

I illustrated for the minister some of the equipment those people require in order to see. Those visual aids I had in the House this afternoon are not terribly expensive. Some of them are only \$100. That, while still expensive by today's standards, is not as expensive as one would think when seen in the context of being blind and being able to see for \$100. It illustrates the importance of assisting a group that could circulate information to its membership and obtain a very necessary service.

The group was here this afternoon and they are with us again tonight in the gallery. I notice one member is looking at us now wearing a visual aid that looks very much like what we would consider a telescope but is really, for that person, his eye. Those are his glasses, just as the ones you are wearing, Mr. Speaker, are your glasses. With that equipment he can see a bus coming. Without that equipment he walks around with his white cane.

It makes that kind of difference and I cannot stress just how important that is when one cannot see. I can only think about it myself. I cannot fully comprehend the problem because I am not blind and, unless one is suffering from something that serious, one cannot really understand it well. I have been very impressed with the presentation that was made to me and I do hope we can obtain some assistance for them.

In conclusion, I have one more point to bring to the attention of the minister. This afternoon he challenged me to bring statistics that would illustrate that Quebec is doing more for the visually impaired than is his government. I will illustrate now what Quebec is doing and I hope in his remarks the minister will tell me how much better Ontario is for the visually impaired. I am not talking about the blind.

In Quebec the government has a well-organized program to assist visually impaired people. It has funding to help in the purchase of visual aids. In 1980-81 the program assisted 7,188 people. Perhaps the minister can tell us how many people he assisted with visual aids in 1980-81. The cost of the program was \$571,533 and it was provided by the Quebec health insurance program.

People who are visually impaired in Quebec are getting some recognition and some assis-

tance from the government of that province. I would like to invite the minister to do likewise. I am not asking that he spend \$500,000 this year. That is not what was asked of him. This organization wanted \$75,000; \$150,000 over two years, so it is \$75,000 or thereabouts to assist the visually impaired of Ontario.

I have to come back to the issue of wife battering for a moment and to the remarks the minister made that day when we presented the report in good faith in this Legislature. This report was done, as I said previously, in a nonpartisan way and in a constructive manner by members on all sides of the House in the hope the government would recognize its value. I was very disappointed with the remarks the minister made that day.

In many ways, I sometimes admire the style he has in dealing with issues. He is a scrapper who really attacks issues head on. He was known for that in his previous occupation as well. It is a quality I admire. But sometimes I have the feeling, especially when he is dealing with social issues, that he is a person who is trying to clean a chandelier with boxing gloves on. No matter what he does, when he has that kind of approach, he is bound to break something. I think his approach could be a bit more compassionate. I guess that is the word I want to use.

8:40 p.m.

Mr. Nixon: Je ne sais quoi.

Mr. Boudria: Je ne sais quoi? Perhaps. No, I would not say that either. I would just say he could do with a bit more compassion, especially when dealing with issues such as this. Members of this Legislature, in very good faith, prepared that report for the benefit of all, including the Ministry of Community and Social Services.

Mr. R. F. Johnston: Mr. Speaker, I have a few things this evening that are carryovers from last night's supplementary estimates that we could not get to. Particularly I would like a factual breakdown on two items other than welfare assistance. Could the minister let us know if the money for senior citizens is going as a regular transfer to homes for the aged, etc.? I would appreciate it if the minister would just fill that out a bit for us. Does the process allow the minister to deal with that before we go on, Mr. Speaker, or would you prefer it all to be done at the end?

Hon. Mr. Drea: If I could have a point of order, an agreement was struck last night in order to expedite the business of the House.

Although the member for Scarborough West would have liked a very brief explanation concerning the other part of my supplementary estimates he stood down. I understand the rules of concurrence, Mr. Speaker, but I wonder if, for the purpose of clarification this evening, we might have a minute or two out of the concurrence? The member was generous in the allotment of his own time to facilitate the work of the entire Legislature so that item could be concluded last night.

The Acting Speaker (Mr. Cousens): As long as the members of the House are in agreement, I have no objection to your making an exceptional response at this point.

Hon. Mr. Drea: In fairness to the honourable member, since he—

The Acting Speaker: Excuse me, I am guided elsewhere.

Hon. Mr. Drea: Perhaps I could rise on a point of order?

The Acting Speaker: I will accept a point of order.

Hon. Mr. Drea: While I discuss the point of order, I will tell the honourable member that I will take the time off any time I have of my own, because he was very generous last night—not to the minister but indeed to the House. I wish some others could be like that.

If I understand it correctly, all the honourable member wanted to know was if the direct transfer payments involve co-payments, regular payments and so forth to homes for the aged. The answer is yes.

Mr. R. F. Johnston: I thank the minister for clarifying that matter. A couple of other things I will couch in terms of my general remarks and he may or may not refer to them. It is up to his discretion.

I am going to start off my comments on concurrences a little reluctantly, with some criticisms of the minister himself. I feel a little reluctant to do that but I also feel it is crucial. I cannot help but feel that during the course of his tenure in this ministry we have seen a number of unfortunate developments in terms of procedures.

I think the attitude of the Minister of Community and Social Services, more than anything else, is causing more conflict than necessary in the debate. It is natural that the debate often will be highly partisan and at other times not so partisan. In the family violence situation I believe there has been a lack of openness within the ministry. There was less of the feeling of ease in discussion than there perhaps was with

the last regime in the Ministry of Community and Social Services.

I look at some of the changes that have just taken place in the personnel of that ministry. Some of them are understandable. Deputy ministers are moved and go elsewhere. That is not necessarily the prerogative of a minister but rather is often the prerogative of the Prime Minister or the Premier. When I look at some of the people who have been there and have been involved in the development of some of the changes in children's policy and some of the other policy areas that have taken place over the last number of years, I see what can be considered kind of an exodus of people who played a major role.

I see John Anderson and Peter Barnes are gone. Judge Thomson, who I understand was on special assignment and was in charge of policy and program development, is gone. Glenn Grover is gone. That brings me to the point of how people leave and the kind of attitudes that are developed. Today the man who was the policy and program development head of the ministry was attacked by the minister in this House and I think unnecessarily so. It was unnecessarily provocative.

There are others if one goes down through the organizational chart comparing it year over year. Even during the period while this one minister has been there, and not even going back to when the last minister was there, one sees others who have left key positions and other positions which in this year's organizational chart do not seem to be filled at all. I sense there is a real malaise and that something is going wrong in the ministry.

I once facetiously raised the name of someone who had given me some information and then I sat back and said, "Oh, my God, maybe I should not name names because that person will not be there tomorrow." There is an air of confrontation and lack of discussion within that ministry itself. I get calls from people—and I assure the members they are not New Democratic plants in that ministry—who are concerned about the kind of process that has developed.

It used to be a free-for-all in that ministry in terms of discussion of policy development. There used to be an openness when I and my predecessor the member for Bellwoods (Mr. McClellan) called trying to get information. That is not the case now. That attitude is just not geared to me as a member of the opposition. I can perhaps understand that after the confron-

tation that necessarily takes place here from time to time. It has happened between the minister and the very constituency he is supposed to work with and provide services for.

I cannot help but recall the confrontation—that is all it can be called—in front of this building between him and the family benefits mothers who were here protesting the change in family benefits. It was a totally and unnecessarily provocative interchange. It has been recorded well on radio. I remember hearing it for two days afterwards. I remember the response of the minister to the figures on the numbers of young people on welfare. Basically he was saying: “My God, we have to tighten this up. There are too many of them. They are sort of weekend welfare people almost.” I have the quotes here some place.

Hon. Mr. Drea: Mr. Speaker, on a point of order: the member should please quote me correctly.

Mr. R. F. Johnston: I am going to try to find it.

Hon. Mr. Drea: That is one of the reasons the member might look at himself some time.

Mr. R. F. Johnston: Which is another example.

Hon. Mr. Drea: Misquote me and then it is okay.

Mr. Stokes: Why have they all of a sudden become so ungenerous? Both of them. It was all sweetness and light here 10 minutes ago.

An hon. member: Where is the Christmas spirit?

Mr. R. F. Johnston: Christmas is over.

The response from the minister in a report in the *Toronto Star* on October 29, 1982, basically suggested that approximately 565 teenagers are collecting welfare while still attending school. He was saying it is frowned upon, forbidden by the province, but for some reason it has started again. The minister had sent out a directive to all municipal welfare agencies telling them they are not to do it; if they did he would withdraw all subsidies.

8:50 p.m.

In point of fact, under the regulations it is quite possible to find extenuating circumstances. Only in cases involving unsuitable homes does the province allow teenagers to leave home, and go to school on welfare—that is true. However the review has shown the vast majority of those 565 teenagers were kids coming from homes where there were severe problems.

The notion that was put across by the minister was that somehow the kids were leaving on the

weekend because they had a slight run-in with their families. Look at the approach that was taken when I raised the question of the child abuse registry. The immediate response by the minister was to attack the credibility of John Byles's report. That is in Hansard. His immediate response was to do that, as was his immediate response to the Glenn Grover thing today.

I go back to the family violence committee that was mentioned by my colleague the member for Prescott-Russell (Mr. Boudria). The minister should have welcomed the fact that a committee had been looking at this in a very nonpartisan fashion. There was an initial kerfuffle maybe in getting it on the floor, but afterwards in terms of the meat of what we came up with, it was a very nonpartisan attitude, with good co-operation from the members of the ministry.

The basic report was in the minister's hands a good month and a bit before. If it was not in the minister's hands it was in the hands of people who were auditing the meetings and, therefore, should have been there and been passed on to the minister. The basic interim reports were in the hands of all members of his Tory caucus who were members of that committee and who could easily pass it on. If it had not been passed on to him it should have been a month or so before, because we were determined to get it out in French as well as in English.

The minister's immediate response was essentially to attack the report, not to welcome it and say, “I think this should be the concentration.” He attacked it saying it was obviously not written by women. That was his number one response, as I recall. His second was that we had missed the essential point, which of course we had not. We had covered the essential point he then raised. I think we did it in terms of—and I will come back to this later—trying to move away from the area of responsibility we were asking from him in our report. This was for a major extension of hostels and emergency housing for women. It was just part of this series of confrontations.

Today I found it difficult to believe the minister's response when the matter was raised by the member for Huron-Middlesex (Mr. Riddell) about the deinstitutionalization of the mentally retarded. His response was to say the member had never been in one of those institutions except for a union meeting, generally speaking, and during elections. I think saying that to the member for Huron-Middlesex is pretty incredible. I do not believe it is true for a second, and I have talked to the member for Huron-Middlesex,

who denies it. But even if it were true, is that the kind of response we necessarily want from a minister of the crown to somebody who is raising a very valid concern? The answer is that we do not. That is not the kind of attitude we want, surely.

I think of the time I raised a question about figures on day care and the special \$11 million. The minister picked a couple of areas where he found some flaws, and there were one or two flaws. He turned the matter around in a very nastily worded attack and, in fact, blurred the truth. He did not have his new deputy then. I happened to have a written question on the Order Paper later on, and discovered they had caught themselves in—I am going to use the word—a lack of truth in the response by the minister. He blustered in his reply. He attacked first of all, rather than responding to a real concern.

Mr. Stokes: A lack of frankness.

Mr. R. F. Johnston: A lack of frankness has not been his problem.

The Acting Speaker (Mr. Cousens): I would say the member is verging very dangerously on—when you say a lack of truth, I would much appreciate your not making that kind of remark.

Mr. R. F. Johnston: I look for your guidance. I found a major discrepancy between his initial response and the reponse of his deputy. How is that?

Mr. Stokes: Less than forthcoming.

Mr. R. F. Johnston: Which was less than forthcoming. I would be glad to go back and pull that stuff out. The initial response, when the minister came back and confronted—first pound the opposition—use some truth and use other things he thinks are useful to him which later on prove not to be exactly the case.

The Acting Speaker: The honourable member is trespassing in the area which he should not. Please withdraw it.

Mr. R. F. Johnston: I said, some things were truthful, factual—

The Acting Speaker: Please withdraw it.

Mr. R. F. Johnston: —and other things were later contradicted by his own deputy minister.

This is the minister who has torn apart the children's services committee. This is the minister who is deciding on the deinstitutionalization of the mentally retarded and, I would suggest, cutting away the strength from even the working groups in the process. Even when he was standing up with a courageous response on the

group home issue in High Park, he turned around and whacked us with a response that was unnecessarily in the street-fighter mould.

I look at this and ask, "Is this what we want from the Minister of Community and Social Services, the minister who is supposed to be protecting those who are most disadvantaged, generally speaking, in our society—those disadvantaged physically, mentally or by income? Surely that is not what we want in Ontario. Surely we do not want somebody whose immediate response is to bluster a counterattack against an allegation by the opposition. Surely we want somebody who appears to be sensitive—at least appears to be, if nothing else.

This is not, in my view, the ministry where a street fighter is best used. Perhaps he was good in the Ministry of Correctional Services. Maybe the present minister should take up this kind of approach. Maybe it was even good in the Ministry of Consumer and Commercial Relations, although I wonder how the Cadillac Fairview shemozzle would have been handled in that kind of a fashion in the House if that were the case. I do not believe it is the response we want from the Minister of Community and Social Services. I do not lay that only at the feet of this minister. I lay that at the feet of the Premier. It is the Premier who chooses the Minister of Community and Social Services.

This Premier has made some really interesting choices over the years: Mr Grossman, senior, who had some fairly interesting approaches; the member for Prince Edward-Lennox (Mr. J. A. Taylor) known for his attempts to destroy the Ministry of Community and Social Services during that period—

Mr. Samis: An advocate of policies of the 19th century.

Mr. R. F. Johnston: —and an advocate of policies of the 19th century, as I am reminded by the member for Cornwall, and then the present Minister of the Environment (Mr. Norton). Perhaps that was at a time, dare I say it, when the government wanted to spend some money on community and social services and decided to put in their version of a bleeding heart, just to sort of space things out a bit.

But now we are back with a minister who adopts the kind of style I mentioned before. I have to ask why. Maybe it is because the Premier and the cabinet want somebody at the head of the Ministry of Community and Social Services at the moment who will not bend to the pressures from the bleeding hearts on this side of the floor who will be demanding more money

for the handicapped, more money for the poor. Perhaps they want somebody instead who will take us on, fight us in the House, bluster away, play to the gallery as well as the rest of us do on this side and try to obfuscate the issues and try to make us miss the issues.

Hon. Mr. Drea: Better.

Mr. R. F. Johnston: Yes, from time to time, he plays it much better and much more cleverly—and he does diffuse the issues which do not deserve to be diffused but deserve to be confronted. I believe it is the policy of this government that they want this kind of a minister now when money is tough.

Today I attacked the Minister of Citizenship and Culture (Mr. McCaffrey) because of his acquiescence to the pressure to cut back grants to the Ontario Arts Council. That is his choice. They can get somebody who will just sit down, give in and ask the Ontario Arts Council and people who receive money from it, "How would you deal with a 15 per cent cut this year?" Or they put up somebody who will bluster away and try to defuse issues that way.

9 p.m.

I suggest it is a deliberate strategy of this government. Going back to the Engelsian concept of morality in politics, which I mentioned last evening, that verges on being a very dangerous kind of policy by this government. This is a time when people need help. They need a responsive minister. They need openness in that ministry. We need innovation in that ministry. That is not what we have been getting.

Look at some of the failures in income maintenance. I dealt with that primarily last night, and I do not want to spend a lot of time on it now, but the minister and previous ministers have never responded to the injustice of our approach to rent allowances and rent subsidy.

There has been no response to the business I raised yesterday about the fact that unless you are a single employable person who pays a rent of \$75 or less per month, you never get 100 per cent of your rent paid.

Mr. Philip: Why should he take care of tenants now? He never did in his previous ministry.

The Acting Speaker (Mr. Cousens): Order.

Mr. R. F. Johnston: There was no response to that attack last night. There was no response as to why, when this is all the money these people have, we expect them to dig into their food allowances to pay for their rent. Why is it that this ministry will not take another look at how

we administer that program and at how we divine what it is people will receive?

There were other anomalies. This minister might want to get up and explain to us why it is that the maximum amount of money somebody receives for room and board, when there is profit involved, is \$238 per month for a single employable. If he did, perhaps he could explain how much that leaves people, generally speaking, and confess to this House the abject poverty that leaves people in, in a place like Toronto.

As I tried to deal with yesterday, if a person is living in what is defined as a nonprofit location with family or whatever, that person does not get any increase this year. There is no rent subsidy. That is left to the discretion of the individual worker, who has to clear it through his administrator as if they had no other costs this year.

I would like the minister to explain the horrendous problem that exists when he put together the shelter and fuel subsidies business. Many people, especially families, are renting places—houses, for instance—and paying for the fuel costs separately. I get many calls from people in northern Ontario about this.

Under our system a person receives either the shelter subsidy for the rent he is charged or an allowance for the fuel subsidy, one or the other. There is no idea where the rest of the money is going to come from. These are people with no other source of income.

I would like to understand how it is just in our society that a maximum of \$1,200 a year, \$100 a month for fuel, can be picked up as a maximum. For people renting places in Sudbury or in Timmins, it is very possible their fuel will be higher than that; it is very possible that, on top of that, they will have rents that will be much higher—double that.

It does not really matter where it is in Ontario. The point is that people are having to take money out of their food allowances to pay for one or the other of the two, whichever is less, and that is seen to be just.

When you have a minister whose job it is to hold the line and not make changes, not make waves except in areas where they are politically acceptable, as I said yesterday, then you will not see any changes here and you will get the \$52-million boondoggle we got, making it seem that this was adequate for these people. Surely I do not have to remind the minister of the comparison between what those hundreds of thousands of people received there and what the doctors have received.

I will not go into any more of that side of things, but it is something I did not go into detail on last night, those other two portions of shelter and fuel, and the boarding home cost.

Basically we are accepting that these people should live in poverty and that they should take from food to pay for shelter. We have a minister whose job it is over there to make sure that nothing changes on that, that the basic inequity is not addressed and that we hand out a five per cent increase, to some an extra \$11 and to others \$25 more in shelter allowance, five cents on the dollar, so they still have to pay from their food.

This is the kind of innovation we get from this minister, but I believe it is just part of what the government wants. They want that man there to guard the gates. They are not letting any more money out than is absolutely necessary.

Let us look at the closing of the institutions for the mentally retarded. On the face of it, a person like myself would say deinstitutionalization is a wonderful idea. I look at the way it is being done. The minister accused me last night of disrupting his consultative process.

Hon. Mr. Drea: No. Today. Not last night.

Mr. R. F. Johnston: Today; this afternoon then.

Hon. Mr. Drea: You cannot even remember that far back.

Mr. R. F. Johnston: Well, tempus fugit. I am having a wonderful time and these things sometimes confuse.

The minister said today that I had disrupted his orderly consultative process in terms of letting the various people out there—the associations for the mentally retarded, the working groups, the parents and the residents of the institutions—know about his plans for deinstitutionalization.

The minister claims I ran up and down the halls handing out his submission to cabinet. In fact, it was Mr. Sean O'Flynn who broke the news that night; all I did was hand out extra copies to people.

Hon. Mr. Drea: Oh.

Mr. R. F. Johnston: Well, I am proud to do it, sir.

Hon. Mr. Drea: Good. I am glad.

Mr. R. F. Johnston: I am very proud to hand those things out. But doing that did not destroy his consultative process. His consultative process was to happen after he made the announcement.

Hon. Mr. Drea: That is not true.

Mr. R. F. Johnston: He would let them know as he was doing the announcement. There was no consultation. "We will make this decision and then we will consult and tell them what we are doing." It is right in the text of that submission to cabinet.

Hon. Mr. Drea: But there was another one.

Mr. R. F. Johnston: Then there was another one afterwards; well, wonderful. What has the minister done since? Has he been to Goderich? No, he has not. Has he gone out and talked to those people? No. He sends his minions out to talk to those people, but he has not been himself.

Let us talk about process and about openness. I guess the reason is that if the minister went to talk to them, he probably would end up in a confrontation with them. He charged the member for Huron-Middlesex (Mr. Riddell) with being a union lover. God help us!

Hon. Mr. Drea: He is at the moment.

Mr. R. F. Johnston: Let us look at the suggestion that is being made in terms of the deinstitutionalization, this five-year plan. Has there been pre-organization done before the announcement of the intention to close down places like Bluewater Centre, the START Centre and D'Arcy Place? Has there been previous consultation with the parents in those areas? No, there has not.

It is stated: "We will close it down and then we will discuss with you how we are going to do it and try to establish a process. We will use the Brockville example to show just how wonderfully it is all done." It will be interesting to see how many of the people from Brockville end up in the Rideau Regional Centre and how many from Brockville end up in group homes. We will see how pleased we are with that consultative process. I remain to be convinced given that, as with most things, I expect three quarters to be bluster and the rest to be substantive.

In the past number of years this ministry has budgeted major increases in community support for the mentally retarded. The budgeted increases every year have been exponential, seemingly generous. Yet every year we see that they are underspent. Every year, as was the case last year, there has been an attempt to carry over a fair amount of this money.

9:10 p.m.

Mr. Boudria: Put it into day care.

Mr. R. F. Johnston: I am coming to day care in a little while.

For the past five years, according to ministry

figures, the ministry has underspent its accommodation and community support budget by \$18.7 million and \$10 million. Yet this minister is expecting us to believe that his reason for closing these institutions is not to save money but to pour \$33 million into extra community support.

There would be much more credibility out there in the community about that actually taking place if the minister's record and his predecessor's record over the past five years—in fact, it would be longer than that; one could take it back to 1974—had not been so substantial, because in 1974 the shortfall was \$20,372,000, according to the figures I have here.

Why did the minister decide to close down five of the smaller, more community-involved institutions? It was because he could show cost-effectiveness more easily. That is exactly why. If he closed out a few hundred beds in Orillia the savings, in terms of institutional operational costs, would not be as clear and as large as if he closed down one of these smaller institutions which has 200 and some spaces. That is essentially what is behind this. It is that straightforward.

If there were any real commitment to a genuine program of deinstitutionalization, I would suggest that we would have a much broader plan here before us than we have now. We would have some sort of discussion about what was going to take place with Rideau and Orillia over the next number of years. Those are two mammoth institutions.

I would also suggest that what would have happened would be that a paper of recommendations would have gone out to the various areas with some suggestions about directions we might want to take. Then a process of real planning for that, a real discussion, would have happened.

But that is not the way this ministry operates. Instead, what the minister is running into is a fairly large backlash from those communities that have these small institutions, communities that are responding not just because they are afraid of losing jobs in their communities but because they are concerned about the quality of care that is available for those people and because their involvement with the parents of those residents makes them understand the important relationship that the community has with many of those small institutions in those communities.

Instead of having a situation where the local union, the parents and the ministry are sitting

down in an orderly fashion to plan how to provide those services in those communities, such as Goderich, what we have is a spectre of those jobs leaving Goderich with Bluewater being placed in the hands of the Minister of Correctional Services (Mr. Leluk) or whomever, as a correctional institute at some time in the future. But those jobs of social workers and others who have been trained to work with mentally retarded individuals seem to be being lost. The connection in that community is seen to be being lost. There is no commitment to maintaining, in those communities, those individuals who now are being cared for there.

There are some very frightening implications, in my view—and this is ideological, I understand—of privatization in terms of the prospects of group homes and other facilities being made available without any notion of maintaining the expertise of those members of the Ontario Public Service Employees Union at the moment who are working with those residents. When the minister finds himself under attack by a former policy co-ordinator from his ministry in terms of the decision that has been taken, he basically then turns on that individual in the House.

Still on family violence: I asked my colleagues in this party to sign a request for the referral of the annual report of the ministry last March so that the whole question of family violence could be discussed in committee. It was almost defeated on a technicality, but it did find its way to the committee.

In the committee there was some bargaining about how long we would discuss this, and there was a feeling that we would try to limit it as much as possible, just deal with the question of wife-battering and then end that sort of discussion. But in the process an education of all members of that committee took place. We began to understand just how important this whole question was, not just in terms of an individual minister and ministry and the kinds of specific changes that could be made, but also in terms of our whole social fabric, our attitudes and the kind of socialization that exists.

I notice at the moment that there are only male members of the Legislature in the House. In terms of our rights in this society—our rights to be considered as heads of households, our rights to be the decision-makers in the family structures, our rights to exercise some form of discipline on our children and, if necessary, on our spouses—I suggest that kind of socialization has taken place, to one degree or another, with all of us.

Such expressions as "the rule of thumb" are deeply entrenched in our society. The rule of thumb does not mean some ad hoc measurement, although that is what it has now moved along to be. The rule of thumb, as I presume most of us know, was devised many centuries ago as the right of a man to beat his wife as long as he did not use a rod that was thicker than the width of his thumb. There are our notions of marriage such as that one man, the father, gives a woman to another man and that the woman should become subservient to the man, even in the minimal symbolic way of taking on the man's name. There are the jokes we have in our society: "Oh, that's just like asking me when was the last time I beat my wife."

There are all sorts of expressions in our society which reflect socialization. Some of them can be looked upon seriously. Others can be looked upon as not having any real major impact. But when they are all added together and one looks at the attitudes to violence in our society, in terms of its acceptance within the sports field and in the glorification of war, one has to be very concerned about the ethos of this society in terms of the whole matter of violence.

When violence seems to have some kind of acceptance within a family structure, within that bonded structure we believe to be one based on love and affection, we should have very serious concerns about the impact on the rest of our society. When a father or mother lays a hand on their child in an act of discipline, we should be concerned.

I am sure it has happened to most parents: at some time or other, there has been a slap or some kind of physical discipline of the child. Most people in my riding, if I were to put the question on one of my riding reports, would also agree to the extension of that power over the child by saying that the school and the teacher, as extensions of the family while the child is in school, also should have the right to inflict corporal punishment on that child.

9:20 p.m.

No one has all the answers on this. The matter of family violence seemingly extends into our society and reinforces some of our attitudes towards violence. There are some bizarre notions of the acceptability of rape, for instance, which have been there for many centuries and which now as a society we are trying our best to break down. The notions of rape and pillage are there fundamentally. Through the spoils of war, men have had those rights over the centuries.

What is behind our little report is some very

serious problems in our society and how it operates. It was an awakening for myself, and I think for other members of that committee, of an understanding that it is time we as legislators look to see whether there is something we can do. We may not have the power to change those ethics, it just may not be possible for us to be able to do it, but we have to look at it seriously.

After only two weeks of committee hearings, because that is all we allowed ourselves, and after considerable debate later on by members of that committee, we came up with this report. As a beginning, I suggest to all members of the Legislature that this report is a vital one for them to read. It does not have all the answers, and it reflects the fact that there were only two weeks of hearings and one or two weeks of deliberation. We deliberately did not want to wait, to call in more witnesses, and go back and start looking at the causation in real depth for fear we would not be seen to be moving and making a statement that as legislators we felt was important.

We introduced this in a spirit of nonpartisan agreement. We had a combined news conference, something I do not believe has ever happened before in terms of a parliamentary committee. We said that we thought these recommendations should be acted upon by the various ministers involved and that we as a Legislature should show leadership in this area.

We made a lot of recommendations, 47 in all. Seven were suggestions for a federal-provincial agenda, because some of these matters fall into both fields. We had a lot of suggestions that impacted upon the Minister of Community and Social Services (Mr. Drea), the Minister of Education (Miss Stephenson), the Solicitor General (Mr. G. W. Taylor) and the Attorney General (Mr. McMurtry).

Our suggestion to this minister of the need for more spaces in emergency hostel care for battered women deserves an immediate response. There is a need for legislative changes. The minister may not agree with those we have suggested in terms of a new act to encompass the needs in this particular area.

The suggestion of somehow sending the batterer out to sleep on a park bench and allowing the woman to have access to the home is not the only solution to this problem. There is a need for hostels to be spread more adequately in a geographical sense around the province. There is a need for safe havens in places that cannot accommodate a hostel.

There is a need for the barriers of language to

be broken down. Other barriers that prevent women from making their problems known are severe, such as economic restraints, the sanctity of the family and the utter shame of admitting that your marital relationship has fallen apart and you are a beaten woman.

There is need for a minister who will not say, "This report has obviously not been written by women and they have missed the point totally," but, "In the areas where they are asking me to look at this, I will look at it in a serious fashion."

That committee is now going to look at child abuse. The committee has decided that it does not want to stop, in the questions of family violence, with the question of wife battering. There was some intimation by the minister that we may not have the presence of members of his ministry to assist us, and I would like him to clear that up tonight, if he might. Dr. Guyatt was of particular assistance to us in our hearings. She gave us great guidance. I am sure Herb Sohn and others from the ministry would be very helpful to this committee in understanding some of the issues of child abuse.

I hope it is the kind of thing we can do co-operatively and not the kind of thing we have to do in terms of confrontation. Confrontation between the opposition and the government on this kind of issue may be good for us politically. It may even be good for the government politically in terms of image, politics and fighting back and forth. But it is not doing a heck of a lot for the people who need our assistance.

Surely we do not have to battle on each of these various issues I am raising. Surely something like an all-party committee that seriously wants to look at this matter of violence is something to which the minister should lend his assistance in trying to help us in our task.

I would be interested to know from the minister what is happening in terms of family counselling around the province. There are very disturbing headlines showing up in regional papers these days which say that local governments are choosing family counselling as one of their areas of restraint. I have seen things now from the Durham region, and I had another one here just tonight as a matter of fact—I do not know whether it was Ottawa; I will try to find it as I go through things.

I would like to ask whether there has been any kind of communication between the provincial government and the municipal governments in terms of funding for or assistance to the family counselling services. Some of the information I have been receiving indicates that may be the

case and, if it is, I would just like it cleared up. There is nothing I could possibly say or would likely assert in any terms of a surety. I am sure the minister will deal with it.

Mr. Piché: Get your facts straight.

Mr. R. F. Johnston: Pardon, Mr. Jet.

Mr. Piché: What did you say?

Mr. R. F. Johnston: Mr. Jet.

The Acting Speaker: Order.

Mr. Piché: That wasn't nice.

Mr. R. F. Johnston: Is that a low blow or a new high?

Mr. Stokes: Just call him "Dash."

The Acting Speaker: Just speak to the concurrence.

Mr. R. F. Johnston: Mr. Speaker, our society is in recession economically and we all know that last night the minister agreed that the extra pressures and the need for extra supports are there besides just the need for income maintenance. I would suggest that the need is there, especially for such things as family counselling, and that the loss of the family counsellors in any numbers around the province—Northumberland county is one of the others and, as I think back, I believe that Kitchener is also cutting back on its family counselling. That is one area where we cannot have a major reduction in the services that are being provided.

9:30 p.m.

I would like to talk a little bit about the family benefits transfer if I might. The process that was undertaken there was also one which I as a member of the social development committee did not find to be open and direct but found out about it through the fact that the minister had given a speech elsewhere.

The minister knows I have a fundamental disagreement with the philosophy of the family benefits transfer, not because I do not think it could not be administered well at a regional level, because I do, but because in the context of my comments on welfare, I do not believe that we should be moving income maintenance programs, in terms of their funding process and the eligibility standards and regulations, to a municipal level. The responsibility for that in good social policy should be at the provincial level as a minimum.

The minister will be hearing more in the next number of months about that transfer. I have his nonsubmission to cabinet with me tonight and I do not think it warrants going through, because I am sure there are others who would like to get

involved. But it is clear to me that this is also a plan that was developed as a strategy for saving money at the provincial level, but in the long run, when it gets past the pilot project stage, the government is going to want some money from the municipal level. It will not continue to be 100 per cent paid. In my view, that is a regressive move by this government to add more people to the municipal tax burden.

I have huge concerns about the philosophical approach to eligibility and the definition of family benefits women recipients as employable. I see all sorts of potential for an abuse at local levels in terms of discretionary interpretation of that.

I see all sorts of pressure potentially being put on women to become informal child care workers and take into their homes the children of other family benefits recipients, thus getting the person who is providing that service off family benefits and then allowing the local social services agency to be able to say to the other women whose children are now in that informal day care, probably unsupervised, situation: "Why aren't you out at work? You now have day care for your children. If you don't take this training course and indicate your real willingness to go into work, or if you don't take this job which we have found for you at such and such a location, we will cut you off family benefits."

It seems to me that is hanging out there as a possibility and the kind of background that is involved in that cabinet submission makes me believe that is exactly what is at hand here in terms of that legislation.

Although I agree with the need to develop incentives and to develop a network of support services to assist women who wish to move off family benefits and get into the work place, I am incredibly nervous about this particular program. I find it so ironic that it is being developed as a pilot project right at the time when we have our highest unemployment, our largest number of people on welfare, and we are expecting these people, many of whom will not have proper training, to be able to find themselves some way back into the work force.

Looking at the phenomenal—and I say this sarcastically—success of the work incentive program, seeing this new development in family benefits transfers, I am very worried about what is to take place.

I would like the minister to respond to a concern I have about the Children's Act which is coming up, which concerns the declaration of

principles. First, I believe the general thrust of the proposed legislation seems to be very good. An omnibus bill to pull together the various acts is long overdue and the work that has been done by the people who have pulled this together is to be commended.

However, I am a little concerned about the declaration of principles. One of the first principles should be the protection of the child. There is much more in this declaration of principles about the protection of the family than there is about protection of the child. I am concerned about that in philosophical terms, in terms of how we deal with wife battering and the need to protect the woman first and then support the husband and the woman getting back together, if that is what they choose to do afterwards.

I am concerned that in the list we will not find the principle that a child should be protected. We find instead definitions such as: "If either voluntary or involuntary intervention in the life of a child or the family is necessary, the least restrictive or drastic alternative appropriate in the circumstances should be chosen. Children should be removed from their parents only as a last resort, even when parents initiate the request."

That notion needs to be balanced with some statement about the protection of the child because if it is not, there is the danger of leaving the child in a potentially dangerous situation. I would like some response from the minister as to whether or not there is some possibility of a greater statement of rights of children in the principles of this omnibus bill.

I would also like to know from the minister what the situation is in terms of the Young Offenders Act. The date for the Young Offenders Act coming into place now is next October. Have decisions been made in terms of which ministry will have primacy? Will it be the Ministry of Community and Social Services or the Ministry of Correctional Services? Would the minister give us some kind of briefing about the kind of dialogue which is going on between the various ministries which will have some play in this?

I presume the Provincial Secretary for Justice (Mr. Sterling) will be involved. I presume the Attorney General and the Solicitor General might be involved, but perhaps not. The Minister of Correctional Services (Mr. Leluk) and this minister will definitely be involved. I would like to know what is happening, because we, of all provinces, as was discussed before, have some

of the biggest changes that have to be made because of being out of sync with this move to a team.

It is vital that the discussion become a public discussion at the earliest opportunity. I recognize there has been—

Hon. Mr. Drea: You don't want me to have it.

Mr. R. F. Johnston: I am most interested in your having it, but I have been hearing that this may not be the case.

Hon. Mr. Drea: Want to bet?

Mr. R. F. Johnston: I have too many bets on tonight, as I recall. Rather than having a bet on the floor—which the member for Yorkview (Mr. Spensieri) has learned is not the best thing in the world to do in the House—would the minister just let me know how things are going; whether it looks like he will have primacy in this area, and what kinds of tradeoffs there will be with the Ministry of Correctional Services in terms of program?

Does the juvenile court look like a likelihood, or has the minister been involved in those discussions? Would he just give us a brief outline of where the interministerial play is at the present time? He could tell us how the battles are going and who is winning.

Speaking of battles, and I know the minister will respond to the word "battles," I wonder how the battle with the Ministry of Health is going on the question of the elderly I have the sense that Larry Grossperson, the Minister of Health, is very involved in matters to do with the elderly. I have the sense that—

The Acting Speaker: The honourable member should refer to other honourable members of this House either by their seat or by their ministry.

9:40 p.m.

Mr. R. F. Johnston: The Minister of Health, the member for St. Andrew-St. Patrick, is whom I was trying to refer to. I am sorry if I confused the Speaker by using a term of affection I have for that particular minister.

It is my understanding, from a few questions I posed to that minister during his estimates, that he covets somewhat the whole jurisdiction to do with the elderly. I had the sense from what he was saying to me that in some statement he is going to be making some time in February, probably more of a home support emphasis at that point, we may get some hints about that long-awaited battle between nursing home jurisdiction and homes for the aged jurisdiction that

I have asked questions about over the last number of years.

Mr. Boudria: Homes for special care.

Mr. R. F. Johnston: There is also the question of homes for special care. The minister has hinted pretty strongly in the House that there will be some changes that will affect the notion, as the member for Prescott-Russell is just reminding me, of rest homes and boarding homes, and just where these jurisdictions will lie. I have the sense there is some kind of battle going on there. If the minister feels he would like to tell us anything about that tonight, I would be very happy to hear about it.

Hon. Mr. Drea: I take it the member would like me to have them too.

Mr. R. F. Johnston: I would feel much more comfortable with the Ministry of Community and Social Services having control of matters to do with the elderly than I would with the Ministry of Health.

Hon. Mr. Drea: We do not have a conflict.

Mr. R. F. Johnston: I am willing to be there, and again have no conflict with the minister in that area. After beginning my comments about the confrontational nature of this ministry, we may end up with a whole range of areas upon which we agree and move into 1983 with much more accord than we have had in the past.

I have some real concerns about what is going to happen with day care. Would the minister clarify for us tonight, in the matter of day care, whether we are going to see any standards, whether all the work that has been done on the development of standards is going to see the light of day, or is this ministry, in philosophical terms, moving away from the notion of regulation? Is it moving to the notion of deregulation of day care and more into private-home day care and away from what is obviously the more expensive style of day care that is often run by municipalities, often has unionized workers and is more expensive per space for society than private-home day care, especially unsupervised private-home day care?

Is there any intention by this ministry to move towards the British Columbia model of private-home day care, which essentially has non-supervised private-home day care as the buttress of its day care policy? Obviously my concern here is to do with the quality of care that is being provided.

I am sure the minister would also like to tell us tonight what his plans are in the area of day

care. I do not want to get into the statistical battle again, about things such as the number of spaces that have actually gone to Metropolitan Toronto this year. When we get into those wrangles, all we do is confuse the rest of the House if we do not confuse ourselves. I am not sure if sometimes I do not end up confusing myself on that issue.

The concern I have is that in the next year we may not see a major increase in the number of spaces in Ontario. We may not see a major increase in the number of subsidized spaces in Ontario, and the economic conditions, etc., will be used as the reason for that failure to increase, if there is not a direct cutback in the number of spaces that will be available across the province.

We are coming close to the end of this fiscal year. I am presuming there has already been a fair amount of planning by the ministry in terms of the amount of money that will be transferred, how much money will be available and whether or not we expect a major increase in subsidized spaces.

I have no particular reason to believe it, but I have a great unease at the moment about what we are looking forward to in terms of day care money in the next year. I am hoping this evening in his wrapup the minister will ease my fears about that and will assure me the increases in day care spaces will be meaningful this year.

For the last year or so, the ministry has moved in the area of homes for the aged in terms of an upgrading of the facilities of some homes. This is the first major move in that area that we have seen in the Ministry of Community and Social Services for a number of years. I would be interested to know from the minister how that has been going, how much of the money is gone, what requests he has up front from municipalities and charitables that would like some changes, whether or not charitables are involved—I cannot remember that actually—and what he perceives coming up in the year to come in that area.

Are there going to be any increases in the actual number of beds available in the domain of municipals in the coming year? What does the minister project those to be, if he has any idea?

This comes back to that matter of the nursing home situation. As he knows, I am concerned that that is where our growth has been in the last number of years in the Ministry of Health. I would really be interested to see what the—

Hon. Mr. Drea: Support me.

Mr. R. F. Johnston: I have said in the past that I wish more control for Community and Social Services for homes for the aged and I will continue to say that.

Hon. Mr. Drea: For the elderly.

Mr. R. F. Johnston: For the elderly.

Hon. Mr. Drea: We already have homes for the aged.

Mr. R. F. Johnston: There are two things on that. I am worried that is going to be lost and, if we are on the offensive here, then I would be happy to assist in trying to get an extension of the role of Community and Social Services in terms of services to the elderly and in other kinds of residential settings. I would be pleased to assist.

I wanted to raise the matter of native children in a couple of areas. Last year, I raised a question about the number of juveniles in northwestern Ontario who, because of lack of facilities, had been put into adult detention. I received one response from the minister on the day when I unfortunately was not here—I cannot remember where I was—indicating there were only a couple of cases in that year. The next week I happened to ask a similar question of the Solicitor General (Mr. G. W. Taylor) and I received a list of 120 children—I do not know how many months, I think it was in the course of a year—who had been in one kind of a lockup or another. I would like some clarification from the minister regarding what is going on in that area and what the distinction is between those statistics.

9:50 p.m.

Hon. Mr. Drea: Mr. Speaker, on a point of order: The question was asked in the Solicitor General's estimates first, and not by the honourable member but by one of his colleagues. It was then asked of me later. We will stick by the reply we gave later. I can write it in some detail but we cannot solve that tonight.

Mr. R. F. Johnston: I do not know whether one of my colleagues raised it as well but the Solicitor General responded to me directly in the question I asked him in his estimates. It was those statistics I was referring to. I would be happy to share them with the minister in case they are different from something he has already seen.

I also have a continuing concern about the whole area of children's aid interventions and other interventions with kids from reserves who end up off reserves. I was hoping we might get some kind of an update from the minister

regarding the number of group home experiments he has told us a bit about in the past on reserves in northwestern Ontario. I would be interested to know what the situation is in the northwest on those projects.

I would also be interested to know what is happening in terms of the Kenora Family and Children's Services and the operations it was working with in trying to get native people working with them in intervening with kids on the reserves just outside Kenora. I have not heard much about this in the last little while. I have been somewhat concerned that maybe things are not moving as quickly as possible. I would like an update if possible.

The other thing I would be interested in knowing is what is happening in the tripartite discussions. I was talking to a native friend the other day. He was not directly involved but he claimed there was not a great deal of progress at the moment.

Hon. Mr. Drea: That is not true. It is being signed on the 28th.

Mr. R. F. Johnston: In terms of the Community and Social Services side of things?

Hon. Mr. Drea: It is done; agreed.

Mr. R. F. Johnston: December 28?

Hon. Mr. Drea: No, it is done; agreed.

Mr. R. F. Johnston: When was it signed?

Hon. Mr. Drea: They sign the 28th.

Mr. R. F. Johnston: Did you sign on December 28?

Hon. Mr. Drea: No, this month.

Mr. R. F. Johnston: They sign this month. We have not got to the 28th yet. Okay, thank you.

Hon. Mr. Drea: It will be. It is agreed to be signed.

Mr. R. F. Johnston: Excellent. When will we have an announcement about that or have we had one? I have not seen it cross my desk. I will be happy to get that information.

Hon. Mr. Drea: Mr. Speaker, on a point of order: The minister is not signing. The Provincial Secretary for Resources Development (Mr. Henderson) is the lead minister in the process because it involves other things and he will be doing the signing. I understand it is January 28. The agreement was negotiated in my office with the chief and his associates from the Whitedog reserve. It goes far beyond the group homes and some other things. That is the small tripartite agreement.

Mr. R. F. Johnston: I am sorry, there was some misunderstanding about what we were talking about. I will try to get hold of that as well. I was talking about the larger process—the tripartite discussions which are happening in the general policy area. It is my understanding the Ministry of Community and Social Services was involved in it.

Hon. Mr. Drea: No.

Mr. R. F. Johnston: I would be pleased to be corrected if that is not the case. It is good to know the Whitedog one is agreed upon. I will be very interested to see the terms of that and to see what fruit that bears.

I have two last matters. They are short. The minister has no doubt been briefed on the CAS situation in Cornwall and the 15-year-old who wishes to have an abortion for what she claims is a pregnancy induced by rape. Her mother also wishes this but the local CAS has, the last I heard, determined it would not support her in this request. I would be interested to know if the minister might give us some information on that process.

Hon. Mr. Drea: I cannot.

Mr. R. F. Johnston: The minister cannot?

Hon. Mr. Drea: It is before the court.

Mr. R. F. Johnston: It is before the court? Excellent.

Hon. Mr. Drea: Yes. It will be.

Mr. R. F. Johnston: I will be pleased when it does get before the courts. Unfortunately one of the problems has been the speed of getting it there. It does raise some interesting questions though.

Hon. Mr. Drea: Mr. Speaker, to clarify the point for the member, it will be Thursday in family court. We will talk about it after the family court. We are not a principal. We are not involved. It is my understanding it is going to family court there this Thursday.

Mr. R. F. Johnston: Mr. Speaker, I thank the minister because I did not have that most recent information. I had hoped we might have a discussion, but not now because it does get confused with a sub judice ruling.

It seems to me it raises a number of very interesting questions regarding the rights of minors and the question of decisions about abortion, specifically in this case. I remember reading a press article about a decision involving a 12-year-old where there was a state guardian involved—not in this jurisdiction I am careful to say—who essentially did not accede

to the abortion. The 12-year-old was obliged to have a child which she did not wish to have. It raises some questions that maybe we should look at in terms of the role of children's aid societies. That was the last matter I wished to raise, and because I did not know it was sub judice, we will not be able to discuss that this evening.

I have covered a whole pot-pourri, which is the sort of thing that is sometimes done in concurrences. Sometimes we just nod and say, "Let it go through for the year." It has been a year in which I have personally felt relatively frustrated trying to deal with this minister. I find, from time to time, we have a very easy rapport, such as we just had for a few seconds.

Hon. Mr. Drea: Never. I am just keeping you out of trouble. I know you did not want to do something sub judice.

Mr. Speaker: Order.

Mr. R. F. Johnston: Then the next moment, I begin to wonder if that is the case. The evidence is just before me again.

I would hope that in the coming year we might have a changed and more open approach on the part of this minister and ministry. I have not felt this has been there in the past and I hope I am proven wrong in my impugning motives of political strategy. I refer to my saying this is a decision by government to take this kind of approach in this ministry with opposition members. I hope I am proven to be wrong.

The challenges for the year are many. The challenges for this minister are many, as they are for myself as critic and for the critic for the Liberal Party. I am interested to hear the minister's responses tonight and it will be interesting to see how our relationship develops over the coming year.

Hon. Mr. Drea: Mr. Speaker, first I want to respond to some of the remarks made by the member for Prescott-Russell. Perhaps we can keep the other ones in order.

First, I want to make something very clear to both members concerning child abuse. The question that was asked of me in the House and to which I gave a reply—and the member for Scarborough West apparently needs some clarification on it—the way the question was asked was almost to the point of whether I would recommend to the standing committee on social development or back the social development committee in its desire to look into the entire question of child abuse.

My reply was—and I think it was quite a

proper one—that I do not think it is up to the minister to try to tell a committee what it should study unless it is a direct referral from the ministry. If the committee decides to do that—I know they tentatively had, and if we had had a more expeditious legislative session we would now be doing it. When this session will end no one knows; the members may not get around to it at this time.

Regarding co-operation: whatever the honourable member requests he will get, but I do think it is incumbent upon the committee to make the specific request. I want to make it very plain that this minister or this ministry—in this case it is the minister—does not want to be perceived as interfering with what is a legitimate study by a committee into a very difficult and complex field. I do not think I can say any more than that.

10 p.m.

I think that is the way the committee would want it. If the committee wants no help from the minister then it wants no help. If it does want some, the committee should state what it wants. I think that is very definite. Members will recall the remark I made when the question was asked, that surely members do not want the minister doing the thinking for the committee. That was not a derogatory remark but there is a perception and that was setting the perception straight. I trust the remarks I have made tonight will be perceived correctly by the members and by my colleagues who were here earlier when the question was first raised.

Regarding the Canada pension plan, I want to remind the member for Prescott-Russell that the Treasurer (Mr. F. S. Miller) spoke on this matter succinctly and straightforwardly. Perhaps the member was not here on that occasion. Also when my friend Monique Bégin—she is my friend and I think she will tell her politically closer friend the member for Prescott-Russell that she regards me as such—had her pension conference this year, this question was not even raised. I was there and I know all the rules. I refer the member to the Treasurer's position. I think on occasion the member's leader has asked that question of various people on the government front benches and has received a reply.

Mr. Boudria: He did not get a reply.

Hon. Mr. Drea: I think he got a reply. It may not be one the member liked or appreciated but he got a reply. I have replied to the member as well. I do not think I can say it any better than

the people who were charged with the policy. Indeed we must respect that.

One thing the two members had in common was the question of protection of the child in the consultation document. The very fact they both raised that tonight shows the importance of consultation documents like this. They are meant to be discussed. The position we took was that it is inherent that there is an overriding concern for the protection of the individual child. That assumption is so inherent we did not think it would be necessary to say it. When I use the word "we" I am talking about all those who prepared that document. Obviously, we thought it was so inherent it did not have to be raised. Perhaps that is a problem in our society; if it is not there it is not perceived to be.

It is certainly because of a unanimity of concern and not because of newspaper reports. I have another newspaper that tells me I should remove children whenever the family wants them removed. I am surprised the member did not read me that one.

Interjection.

Hon. Mr. Drea: Yes; one of the member's friends, not one of ours.

It really has not come up too often before, but both members are dealing with it. We thought it was so inherent that it would automatically be assumed by people familiar with the field, perhaps not as professionals but from an objective level. If that is not there, then I can assure members that when the legislation comes in it will—as I look around the gallery I see my deputy minister: I want this to be a government commitment.

Perhaps one of these days the fond wish of the member for Scarborough West will come true. Somebody else over in his dwindling little core may not like him very much at the time, however I say as a government commitment that when the legislation is drafted and comes in that will be specifically spelled out. It was not by neglect but by design. I consider it unfortunate in our society that unless it is written down it cannot be perceived to be there, but we live in society on a day-to-day basis and so be it.

The member for Prescott-Russell asked a question in the House this afternoon. I promised a reply tonight and I will give it to him. As I promised this afternoon, I wish to reply to the question raised concerning funding for the Low Vision Association of Ontario.

In Ontario, the Canadian National Institute for the Blind provides services to the legally blind. I understand that persons with low vision

comprise a high proportion of persons registered with the CNIB. My staff has had recent discussions with both the CNIB and the Low Vision Association concerning services to the low visioned in Ontario. The CNIB are able to assess the needs of low visioned individuals and to train them in the use of technical aids.

While we are not able to fund this request, and that is the first request by the Low Vision Association of Ontario, in 1982—and we are talking about the fiscal year 1982-83 which is right now—we have indicated to them we will consider it in the future. But we have to be very careful of any duplication of effort between the two associations that might arise. My staff have been working with the CNIB to review the needs for the low visioned throughout the province and we expect the services will continue to improve for this group of individuals.

I will be reporting further to the House, obviously not in this session unless members opposite talk so much that we go on into the spring. Certainly some time after the throne speech I will bring back some form of report. Probably we will take it as a reply to a previous question if that is all right.

The answer to the supplementary asked by the member for Scarborough West on this matter is a very complicated and a very detailed one because of the various assistive devices. Some are paid for and some are not, and some of these depend on the age of the person and so forth. It will take a few days for the Ministry of Health to provide him with that complete list. All I can say is that some are paid for depending upon age. I do not really know the technical names of the two devices the member showed today, but there will be a complete breakdown for him. If the member for Prescott-Russell wants it, he can have it as well.

I would also point out just one thing. When the member was talking today about the province of Quebec, this is under the Quebec health service—

Mr. Boudria: Yes.

Hon. Mr. Drea: That is a little different than the social service.

Mr. Boudria: Yes, I know.

Hon. Mr. Drea: I appreciate the document the member has given me and I assure him I will look at it, but I still stand by what I was saying today on the social service. If I want to combine the Ontario health insurance plan with a few others that are provided—I am grateful for the time the member took to give me this.

Mr. Boudria: But they are not even asking for that right now. The only thing they want is money for their advocacy.

Hon. Mr. Drea: No, but I am trying to be nice. I am grateful to the honourable member for taking the time to provide me with this document because it is one that is somewhat all-encompassing. Indeed I am sure it will be very helpful to my staff who are trying to adjudicate and negotiate what, because of personalities, is a particularly difficult situation. I am very pleased that the member for Prescott-Russell was fair enough tonight to say that the minister was not the culprit. I do not want to go on any further. I think we all know and I appreciate it.

Mr. Boudria: But you could be the saviour.

Mr. Speaker: Order.

10:10 p.m.

Hon. Mr. Drea: I am going to talk very briefly about the subject of battered wives. I am going to stand by what I said before, but I want to point out something that may have been lost sight of at that time and before that. This ministry has been very supportive of all kinds of services for the female who finds herself in that situation, not only at the immediate time of the physical, emotional or mental assault but also for a period afterwards.

Since I have been asked what I am doing, I want to draw to members' attention that, first of all, we spent about \$1.5 million this year directly on this service in the hostels, including a couple that are in special situations. We will spend more than \$2 million in the next fiscal year. New hostels are likely to come on stream during 1983 in Scarborough—that one, in my riding, is already there—North York, Rexdale, Peterborough, Brantford, Kenora, Hamilton-Wentworth, North Bay, Kapuskasing, Brockville, Sudbury and Niagara.

Members will recall, and apparently it has been conveniently forgotten by the member for Prescott-Russell, that in reply to a supplementary to the member for Scarborough West, I said that by March 31, 1983, we would be in a position to assess many of the lesser-known parts of the committee's report. I was talking about the language issue and a number of things I was going to do: my concerns for women in rural areas, etc. We should have that done by the start of the fiscal year. It is really March 31; it was not intended that way. It was intended, in more normal times, as the start of the Legislature. So we will put it this way: it will be done by that time and we will be telling, doing or

whatever we have to do, right in the first part of the next legislative session.

We have that commitment; it has always been there. I think that was lost sight of a bit tonight, although I am sure it was not by design; we are talking in terms of a ministry with a very vast scope, including spending of more than \$2 billion.

I am not going to reply to the long series of harangues about me. I think my record as a minister of the crown stands for itself. From time to time there have been some pretty formidable things hurled at it, yet I am still here. I would like to point out that basically I am a very friendly and very fair person. I do expect, however, that those who use information, whether it is in the political context or in the personal context, will have it accurate. When it is not accurate—I am not talking about interpretations or two viewpoints—I think I have the right to say it is not accurate.

I do not think that is blustering. I am not going to read out, as I could tonight, a whole series of things about how some people were wrong and I was right. I know that occurs in the to and fro of the question period. However, as a minister of the crown, I do not think I have to sit here and take cheap shots. I never have and I am never going to. I can understand people's frustrations, but if they are going to get in cheap shots at me they are going to get a straight shot right back. If I were to cheap shot other people I would expect to get a straight shot right back.

Mr. R. F. Johnston: I would try not to.

Hon. Mr. Drea: What is that? The member would try not to give a straight shot back? Oh, please; if he thought he could, he would.

I would also like to get into the question of the young offender, because I think it is important. First, there is no fight between ministries, as has been reported in a newspaper. In fact, the person who wrote the article was told in December, at the time when I had made a speech about the rest home industry, that there was no fight.

Obviously the decision by the federal government—which was a unilateral one; they did not tell us—to raise the age to 18 does have some implications for services to children in this province, because up until now, and indeed because of work in the 1970s, particularly by my friend and colleague the Provincial Secretary for Social Development (Mrs. Birch), there was a great deal of work in consolidating, co-ordinating and putting the vast variety of children's services under one ministry: children's mental health, the developmentally handicapped, the

juvenile offender—virtually everything in terms of children's services outside of education.

If one is going to another model because the age has changed, then that has implications for children's mental health and implications all the way through. This has been the government's concern: not which ministry is going to have a mandate or have primacy there, but what is the proper decision to ensure the continuum within the parameter of children's services being provided in this province. That has yet to be determined.

There are obviously some significant concerns because we are dealing far beyond—actually about 95 per cent of the population and the concern is outside of the offender area but it does have other implications. That is what is going on and I would think everybody would want a very thoughtful and full evaluation of that. That is precisely what is going on now.

I want to talk about the developmentally handicapped and the closing of the facilities right now. The member for Prescott-Russell, or was it the member for Scarborough West—oh, he is touring tomorrow and he says I should be there. Tomorrow I am meeting here with people from Goderich.

Interjection.

Hon. Mr. Drea: No, no. He is going somewhere else but I am doing it right here; so do not tell me I am not meeting with parents or people from Goderich, because I am doing so tomorrow; and minions did not go there, my deputy went.

Interjection.

Hon. Mr. Drea: A deputy minister, I think, is a little bit above the perception of a minion.

I want to point out the number of beds. I will close in about a minute and a half, because I understand my friend from the Ministry of Correctional Services is on next and it will expedite the House. I will do what others did to me last night, although they were much kinder last night. I did not have to do as many straight returns.

If one wants to look at the five-year plan, taking into account the community, the allocations, the turnover and new beds, the following spaces will be available over the next five years: group home beds, including turnover—those will be people graduating from group homes and going into more independent living, which is happening now—664; hard-to-serve children, that is beds, 200; hard-to-serve adults, 150; for a grand total of 1,014.

The projected distribution of those 1,014 beds is: 369 to facility discharges, or current facility residents, and 645 to the community. Those are new; in a community those are people who never went to a facility. I take it that answers for all time the member's question on the waiting list.

10:20 p.m.

In addition to that, it does not include the 1982-83 allocation for community services which is currently being flowed and which will provide community living places for an additional 300 people. Again, that fits and far surpasses any waiting list the member has pointed out.

In addition to residences and workshops, the five-year plan will set in place community supports and other services designed to reduce the demand for residences, and that is 1,000 new clients.

The reason I was a little bit annoyed with the newspaper article was that it said categorically that I am only doing 88 new beds. The rest of it, fair comment, do what you want, but at least get the figures correct. I think they could have been obtained from a very close perusal of my statements.

I do appreciate the remarks that were made here tonight in the concurrences. We are a bit short of time. I will get the Hansard. There were some rather detailed things that I will give answers to in writing in the interregnum. In many cases I cannot give a cohesive answer now because the allocation has not been set. But I can tell the members that on day care there will be more subsidized spaces next year; there have to be, because all my integration projects carry those automatically.

I think this is a good point at which to thank the House. I do appreciate the concurrence.

Resolution concurred in.

CONCURRENCE IN SUPPLY, MINISTRY OF CORRECTIONAL SERVICES

Mr. R. F. Johnston: Mr. Speaker, we were talking about plans for the Young Offenders Act. I wonder whether the minister can let us know a little bit about what has been happening within his ministry in terms of plans for some of the impact that will be put upon his ministry under this act.

Mr. Philip: Mr. Speaker, since the minister comes from close to the area which I represent, he no doubt will be aware of the concerns of the guards at the west end detention centre about overcrowding. Indeed, he has had representa-

tion from time to time concerning that and the possible safety problems involved in the very overcrowded situation, both there and in the Metropolitan Toronto East Detention Centre.

I wonder whether the minister can bring us up to date on what he may have done, what the situation is in each of these detention centres, whether additional staff has been added to relieve that problem and whether this problem of overcrowding is continuing or increasing, or what the status is at present.

Mr. McKessock: Mr. Speaker, I recently listened to a call-in show on a local radio station which had on the program a former resident of one of the correctional centres in Ontario; I am not sure which one. He talked about a drug problem in Ontario and about a drug problem within the jails. Does the minister know whether this is a problem and, if so, how do the drugs get in there?

He also talked about the problem of not having a really good rehabilitation program within the jail, that they were taken off drugs immediately and not tapered off. He said that for that reason they went back on drugs when they were released. He did not feel the program was proper to rehabilitate them to the extent that they would not return to drugs when they returned to public life again.

He also mentioned that there was no one-on-one rehabilitation program where they could get personally involved with the rehabilitator on a one-on-one basis, which he thought might be of some advantage.

Maybe the minister could tell us just a bit about what is going on.

Hon. Mr. Leluk: Mr. Speaker, in view of the four minutes I have left to me, I do not know that I can adequately deal with all three questions raised by members of the New Democratic Party.

Hon. Mr. Wells: Try.

Hon. Mr. Leluk: Well, I will do it. Maybe we could deal with the member for Grey's question first.

We do have some drugs that come into our institutions. These are brought in in various ways. Sometimes they are just thrown over one of the outside fences that surround the institution by members of the public who have access to the perimeter walls. They may be brought in by inmates who are on a temporary absence program; when they leave the institutions and come back they sometimes try to bring in contraband with them. We are dealing with this

problem, however, and I think our staff do an excellent job in trying to curtail contraband being brought into the institutions.

As far as treatment is concerned, I think it is fair to say that we do have more inmates coming into the institutions today who have drug- and alcohol-related problems, and we do provide treatment for these people. They are sent to the Ontario Correctional Institute at Brampton, which is an alcohol and drug treatment facility, or to GATU, the Guelph assessment treatment unit, which is another treatment facility where we provide psychiatric and other medical treatment for people who have drug-related problems.

We also have in various institutions across this province various programs in conjunction with Alcoholics Anonymous and representatives from the Addiction Research Foundation who come in and have group therapy and even counselling on a one-on-one basis. In many of our probation offices across the province, we also have programs in place for people who are out on probation and who are required through an order of probation to visit our offices and to take part in programs that are offered there.

I do not know whether I have adequately dealt with the member's question, but I think in the time that is left I should deal with the overcrowding issue, which was raised by the member for Etobicoke.

It is true that we have had an overcrowding situation in our institutions, particularly in the Toronto-Hamilton corridor. I am sure the member for Etobicoke knows that my staff has been addressing this problem both in the short term and in the long term.

Just as of last year we increased security at Mimico Correctional Centre, in the south part of Etobicoke, from a minimum-security institution to a medium-security institution. With the available space that was there, we have provided for up to 150 additional selected inmates from the other institutions, the Metropolitan Toronto West Detention Centre, the Metropolitan Toronto East Detention Centre and the Toronto Jail, to be placed there. We have also opened the fifth floor in the Hamilton-Wentworth Detention Centre, providing for an additional 60 spaces. So in the short term we have taken some of the pressure off the major institutions in the Toronto area.

We have also been looking at building our own relocatable, portable cells. A prototype is currently being manufactured at the Guelph Correctional Centre and soon will be in place at the Peterborough Jail. This is where we have

inmates building their own accommodation at a tremendous saving to the taxpayers of this province.

Mr. R. F. Johnston: Mr. Speaker, could we get that for the Sergeant at Arms here, do you think?

Hon. Mr. Leluk: I do not know that he needs one.

Mr. Philip: It is about the only housing project in this province that seems to be working.

Hon. Mr. Leluk: Anyhow, we are addressing that problem. In the long term we have been looking at the possibility of having to build a new maximum-security facility somewhere in the Hamilton-Toronto corridor, because our projections show that by the year 1985 we will have as many as 2,500 more people in our institutions.

Mr. Speaker: I direct the minister's attention to the clock.

Hon. Mr. Leluk: Are you asking me to wind up? I will stop then.

Mr. R. F. Johnston: Mr. Speaker, I would appreciate it if one of two things could be done. Either we could give unanimous consent to allow the minister to finish in the next couple of minutes or we could have a commitment that there will be some kind of response made to the other questions raised that have not been

answered up to this point. I would appreciate either one or the other.

Mr. Speaker: Is the member asking for unanimous consent?

Mr. R. F. Johnston: I would like to ask for the unanimous consent of the House to allow the minister to continue unless he will provide answers.

Hon. Mr. Leluk: Mr. Speaker, I will be more than pleased to provide written answers very shortly to the question I did not get to and to the other two questions asked by the other members.

Mr. Boudria: May I have a copy of that as well?

Hon. Mr. Leluk: Surely. I will be very pleased to provide the member with a copy.

Resolution concurred in.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, just before you adjourn the House, I thought I should indicate that the order for Thursday, January 20, is private members' public business in the afternoon. In the evening we are going to move to concurrence in supply for the Ministry of Consumer and Commercial Relations. On Friday morning, January 21, we will deal with concurrence in supply for the Provincial Secretary for Social Development.

The House adjourned at 10:33 p.m.

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Ministry of Correctional Services, Mr. R. F. Johnston, Mr. Philip, Mr. McKessock, Mr. Leluk, agreed to. 6628

Other business

Business of the House, Mr. Wells. 6630

Adjournment. 6630

SPEAKERS IN THIS ISSUE

Boudria, D. (Prescott-Russell L)

Cousens, D., Deputy Chairman and Acting Speaker (York Centre PC)

Drea, Hon. F., Minister of Community and Social Services (Scarborough Centre PC)

Johnston, R. F. (Scarborough West NDP)

Leluk, Hon. N. G., Minister of Correctional Services (York West PC)

McKessock, R. (Grey L)

Philip, E. T. (Etobicoke NDP)

Piché, R. L. (Cochrane North PC)

Stokes, J. E. (Lake Nipigon NDP)

Turner, Hon. J. M., Speaker (Peterborough PC)

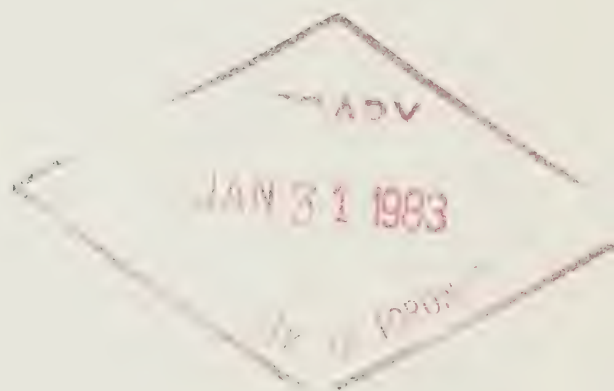
Wells, Hon. T. L., Minister of Intergovernmental Affairs (Scarborough North PC)



No. 186

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Thursday, January 20, 1983

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Thursday, January 20, 1983

The House met at 2 p.m.
Prayers.

DEATH OF MRS. ALICE NIXON

Hon. Mr. Davis: Mr. Speaker, I wish to inform members of the House of the very sad news that Mrs. Alice Nixon, the wife of the former Premier of our province, Harry Nixon—I know this is known to the members of the party opposite, but perhaps not all have heard—passed away quietly this morning in St. George, not far from the Nixon family farm where she spent many happy years. She would have been 93 years old on February 24 of this year.

I would like to express my heartfelt sympathy to her son Robert, who, following in his father's footsteps, has served this Legislature for many years, and to her other children, Kay and Margaret.

I recall with pleasure the time just slightly over three years ago when Mrs. Nixon was recognized in the Speaker's gallery together with her family. The date was October 22, 1979, and I attended a luncheon on that occasion with some other members of the House commemorating the occasion of the 60th anniversary of the first election of the late Harry Nixon to this Legislature. I paid tribute to the family on that occasion as a family that has made a major contribution to the political life of this province for six decades. Today I would like to pay a special tribute to a very gracious lady who I know was very much at the heart of that contribution.

Alice Nixon was married to the late Harry Nixon in 1914, a year after graduation from the Macdonald Institute at the Ontario Agricultural College, which is now the University of Guelph. She has been described as a tower of strength at his side, both on the farm and in his political life, until his death in 1961. Farquhar Oliver was a member of this House for 41 years and served some 35 years with Harry Nixon. When told that Mrs. Nixon had left us, he said: "She was an inspiration. She knew how to build fences."

My thoughts are with the Nixon family today, recalling a very great lady who, with her husband Harry, has left a legacy to their family and to this province.

Mr. Peterson: May I join with the Premier and say that I am sure all members of the government, all members of the Legislature, and indeed all of Ontario, sincerely and deeply mourn the passing of Mrs. Alice Nixon, mother of our House leader, Bob Nixon, and widow of former Premier Harry Nixon.

Apart from her relationship to these two outstanding public figures in Ontario, she was a truly remarkable person in her own right. Everyone who knew her will attest to that. She was loved and respected by all who knew her.

Although her contribution to the province was not as public as that of her husband and her son, it was none the less very important. For more years than many members of this House have lived, she has been widely recognized as a person of unique wisdom, compassion and courage.

In September 1979 I was privileged to participate with some 650 people at a testimonial dinner celebrating 60 years of service by the Nixon family. That occasion merited, indeed inspired, many fine speeches by members from all sides of the House. I am sure all members would agree the star of that family was Alice Nixon.

She was undeterred by the fact that she was surrounded by experienced politicians and cabinet ministers. She gave an outstanding speech; witty, wise and warmly humorous. At that time she was 90 years of age yet she was an inspiration to us all, combining her remarks with the skill of a talented professional and the grace of an intelligent and loving woman who had never, in all her years, backed away from a challenge.

To our colleague Bob Nixon, and to all the Nixon family, I extend the very sincere and heartfelt sympathy of my caucus colleagues and all members of the Liberal Party of Ontario. Alice Nixon's pride in Ontario and the contribution made to it over the years by her husband and son are equalled only by the family's and the province's pride in her as a truly remarkable human being, whose loss is a great sadness to all.

Mr. Rae: Mr. Speaker, on behalf of the members of my party, I want to extend to the Nixon family, and especially to our good friend and colleague Bob Nixon, our sympathy at this

time in the death of his mother, Alice Jackson Nixon.

It has been mentioned, of course, that her husband was a cabinet minister in the first farmer-labour government in 1919. For a very brief time he was the Premier of this province. He was a figure of great colour and life in the history of this province. Alice Nixon's son Robert, twice leader of the Ontario Liberal Party, is someone who has contributed tremendously not only to this Legislature but to the wellbeing of the whole province.

In contemplating the death of someone who has given so much of herself and whose family has given so much to this province, someone who has been able to live such a full and clearly such a happy life, perhaps it is appropriate that we not so much mourn that she has now gone but that we give thanks to celebrate that she was here.

Mr. Speaker: Thank you. I am sure all members join in extending condolences to the family and to Robert Nixon in particular. As a mark of our respect, I think it would be appropriate to observe one minute of silence, if you would care to rise with me.

2:10 p.m.

The House observed one minute's silence.

TRIBUTE TO ANATOLI SCHARANSKY

Mr. Breithaupt: Today, Mr. Speaker, you will be aware that there is a vigil being held outside this building to honour Anatoli Scharansky whose 35th birthday it is. It is hoped that, with the interest not only of those members in the Legislature who serve on the Committee for Soviet Jewry but of people in many other parts of the province, there will be concern about the punishment this man is undergoing.

I hope that, as we now are in the 115th day of his hunger strike to protest the denial of exit from the Union of Soviet Socialist Republics, we will have a moment to think of him and to think of the fragility of human rights in many parts of the world. For those members of the Legislature who may wish to send their views to the ambassador of the USSR in Canada, I have postal cards available.

STATEMENTS BY THE MINISTRY

BOILER EXPLOSION

Hon. Mr. Wiseman: Mr. Speaker, I would like to inform the House that work is continuing at the present time to restore normal temperatures by the end of today to all the buildings affected

by the boiler explosion of Tuesday morning. These include the Legislative Building, the buildings of the Queen's Park complex, 880 Bay Street, 2 Surrey Place, St. Joseph's College and the Banting Institute.

To this point my ministry has been relying on steam provided by the Toronto General Hospital as a temporary heat source. This has been assisted by a portable boiler which was set up just in the back of the Legislature. Very shortly we should be able to tap into the Toronto district heating system. This will ensure a full supply of heat for all our buildings, as well as St. Joseph's College School. At the same time our own No. 3 boiler has been repaired and testing is nearing completion so that we may fire it up.

This morning when our government employees returned to work we were still in the process of managing and distributing a limited supply of heat. Our hardworking crews reported this morning that it was a very difficult night with some crucial moments. At times it was necessary to reduce the feed of steam from the hospital in order to meet the hospital's needs. We also experienced difficulties with the portable boiler heating the Legislative Building. For these reasons, and also because of extremely low temperatures throughout the night, we did not have as much steam this morning as we had anticipated. Some buildings were cooler than others.

I am pleased with the substantial progress that has been made in returning the heating system at Queen's Park to normal. Many people have assisted us over the last few days in getting our system up to full steam, and I would like to recognize them at this time. Many times throughout our lifetime we hear that people do not come out and support us as much as they once did. Coming from a rural community where that is still done—and some people think it is not done in the city—I would like to say it has happened in this case and to recognize those people. Without the support of the Toronto General Hospital, the Toronto District Heating Corp. and Women's College Hospital, we would not be as warm as we are here today and much damage would have been caused.

I also would like to thank the media, who often are ridiculed for not being helpful. Without their support in getting the news out to our employees and the people of Ontario many would not have known what was happening here. So we want to thank them as well.

When I visited Sister Dorothy and all her staff at St. Joe's College, they were down to the

mid-50s, but she was her usual pleasant self. Today I am happy to report they are now up to almost 70 degrees and are able to carry on with examinations; I am sure the daughter of the member for Sudbury (Mr. Gordon), who attends that school will be very happy about that.

To the Banting Institute, and to my friend Carl Rubino from the great county of Lanark, who is the administrator of Surrey Place, and the staff of those institutions, we are sorry for the inconvenience they were caused.

We also thank all government staff members who were affected, both the members' staff or civil servants. Even though they were told on Wednesday they could stay at home if they wished, many of them turned up for work. In some cases it was almost business as usual.

I also wish to thank the workers and staff in my own ministry. Approximately 100 people worked for 32 hours straight without sleep. Also, I wish to thank the food contractors in our building who supplied the meals to these people. The coffee and doughnuts, etc., were very much appreciated.

Thanks also go to the switchboard girls and fellows who stayed on the job, with the aid of portable heaters, and answered the phones. I also wish to thank the security staff. Two or three cabinet ministers have told me how pleased they were that nothing was touched while they were gone from the buildings, because of our security.

I also thank the Metropolitan Toronto Police, my colleague the Minister of Consumer and Commercial Relations (Mr. Elgie) and the inspectors of his ministry who were on the job, the fire marshal's office, the Metropolitan Toronto Fire Department and the Ministry of Labour inspectors.

Just to show the members how dedicated these employees are, when we really needed heat, one of our employees, who used to be in the heating area, phoned in at five o'clock in the morning and said: "Mr. Minister, there is a line there that you may not be familiar with. It was cut off 10 years ago but I think it will still be operational and that some steam can be rerouted through it." We did that, and were able to get another 7,000 pounds of steam that we would not have had.

So, the members can see the amount of co-operation we received, along with their own. We thank you all very much.

[Applause]

Interjections.

Mr. Speaker: Order.

Ms. Copps: Mr. Speaker, on a point of order: In that long thank-you list, the minister forgot to thank the most important group in this exercise. This group could not be found in Toronto, so the minister brought in men from the Hamilton Boiler Works to keep this building going. It just goes to show the government that all the hot air in Ontario does not come from Toronto.

2:20 p.m.

ONTARIO RENTER-BUY SYSTEM

Hon. Mr. Bennett: Mr. Speaker, I would like to take a few moments this afternoon to provide the honourable members with the final results of the Ontario renter-buy program, one of the most successful housing initiatives ever undertaken in this province or, indeed, in this country.

When we announced this program last year we listed several objectives: first, to free up needed rental housing as quickly as possible; second, to stimulate the home-building industry, and finally, to create thousands of jobs in construction and related trades.

I am pleased to announce this afternoon that this program has achieved every one of these objectives. As of today the number of applications received exceeds 16,000. Allowing for a small fall-off of the applications as they go forward for the approval process, we can say with confidence that the result of this program will be that more than 15,000 new housing units will become occupied in this province.

The purchase of new homes occurred in every corner of the province, from the major metropolitan areas such as Toronto, Ottawa and Hamilton to small communities such as Alexandria and Simcoe, and in the northern municipalities from Iroquois Falls to Ear Falls. In fact, almost all municipalities, townships and districts had new homes being built and sold under this program, and I have sent to each of the members a full list of all the communities that have participated in the program.

Of the total units, some 59 per cent, or more than 9,400, have been purchased by people living in rental accommodation; the remainder were first-time home buyers. So this program met a major goal by freeing up some 9,400 rental units. In addition it helped to reduce the pressure on rental housing by ensuring that thousands of potential renters became home owners in our province.

The renter-buy program, along with our very successful Ontario rental construction loan program, will go a long way in addressing the problems of rental housing in our province. As I

said during the estimates of my ministry, some 15,730 units of new rental construction proceeding in this province are directly attributable to the interest-free loans provided by that program.

As I said earlier, the thousands of homes and condominiums sold under the renter-buy program mean jobs for Ontarians. Going on the industry average of 2.5 person-years of work per unit, this program will account for between 37,500 and 40,000 person-years of work in building and related trades. This is in addition to the 40,000 person-years of work guaranteed by the Ontario rental construction loan program and does not include the additional economic stimulus resulting from the new home owners buying stoves, refrigerators, washing machines, carpets and other items that will add to the work force opportunity.

I would be remiss if I did not acknowledge the contribution of other participants who helped make this program a success. First and in particular we must express our thanks to the leaders of the housing industry in Ontario, who formed a partnership with the federal government and with my ministry to create and conduct the first-ever government/private-industry marketing program in housing in Canada. I believe that in the future we will look back on the renter-buy program and see that first marketing partnership as a truly major step in the housing industry in Ontario. In fact new possibilities for co-operation are already under discussion with the industry.

Finally, I think credit is also due to the staff of my ministry, and particularly those in the Ontario Land Corp. who had the task of administering the program, checking and approving the applications and, very important, ensuring that the renter-buy loans were in the hands of the purchasers at the time of their closing. Except for a few temporary clerical personnel the entire program has been handled by existing staff in the Ontario Land Corp. They took an average of more than 400 phone calls every working day in addition to the many applicants who arrived in person at their office. They dealt with the builders and with the lawyers.

It has been an extremely rewarding performance by the people in the ministry. The quality of the work performed by our staff matched the quality of the renter-buy program. Indeed, they were both winners.

INDIAN BAND AGREEMENT

Hon. Mr. Pope: Mr. Speaker, I would like to inform the Legislature today of some of the

pertinent facts about the fishing agreement I signed on December 17, 1982, with most of the status Indian people of Ontario. In view of the sensitive nature of this agreement I think it is necessary to clarify the roles of the province of Ontario and the status Indian people regarding the use and management of our fisheries resource.

After outlining the historical framework of this agreement for members, I would like to describe its important terms, the potential benefits to the people of Ontario, provisions for public consultation and the regulatory mechanism for implementation.

It is important for us to recognize that the Indian people of Ontario have historically had special status accorded to them by the crown. Honourable members will recall the Robinson treaties of 1850 gave the Indian people special status regarding hunting and fishing. The British North America Act of 1867 recognized the special status of Indian people. This special status continued to be recognized in Treaty 3, signed in 1873; Treaty 5, signed in 1871, and Treaty 9, signed in 1905 and 1929, particularly by affirming special hunting and fishing rights.

Further, the Canadian Constitution of 1982 reaffirms the special rights of the Indian people. This Constitution, under section 37, specifically guarantees that a conference of first ministers will be held within a year of its signing to identify and define these rights. The First Ministers' Conference on Aboriginal and Treaty Rights is scheduled to be held in Ottawa on March 15 and 16.

The agreement I signed last December is not intended to affect the aboriginal, treaty or constitutional rights of the Indian people. These rights will be resolved in other forums. The government of Ontario has always acknowledged the special rights of the province's status Indian people. In 1979, the Ontario Ministry of Natural Resources recognized the existence of treaty rights relating to fishing and the social and economic needs and interests of the Indian people in fishing for their personal consumption. A policy of exercising leniency with respect to the laying of charges against status Indian people fishing for food for themselves was developed and applied consistently throughout Ontario.

A legal basis for this policy was never established. As a result, the administrative limits of the policy were being tested by the Indian people and ministry staff in some areas of Ontario. In some cases, this has led to increasing confrontation and antagonism. Simultaneously,

there was a growing interest in asking the courts for interpretation of aboriginal and treaty rights. The Constitution will create a framework by which we can address the recognition and definition of these rights on a long-term basis. However, there was a need for an interim agreement of understanding between the Indian people and the governments with respect to the fisheries resource. Such an agreement would ease growing confrontation and administrative problems while relieving the pressure on the courts to define aboriginal and treaty rights.

Honourable members are aware that I have, on several occasions, expressed our willingness to negotiate with the Indian people and the federal government to reach agreement on changes to the various game and fish laws that are seen to be in conflict with the Indian treaty rights. I wish to take this opportunity to reconfirm this. On February 10, 1982, the government of Ontario signed a memorandum of understanding with the government of Canada and the status Indian people that was intended to resolve issues and develop a co-operative and mutually acceptable management system until treaty and aboriginal questions were resolved within the constitutional forum.

From February 1982 until December 17, 1982, we held tripartite negotiations in which I represented Ontario. The result was the agreement I signed on December 17, an agreement I am confident will be signed with only very minor modifications by the federal government. We anticipate that discussions will end soon and that the federal government will sign the document in February.

I also wish to point out that before the signing of this agreement, the native people did not recognize the authority of government to control in any way their traditional fishing activities nor did they accept our policy of leniency. I would like to quote from a resolution passed by the Indian people in August 1979 regarding this matter: "Be it resolved that we, the All Chiefs Assembly of Ontario, do hereby reject in the entirety of the recently issued guidelines contained in the May 10, 1979, communiqué from the Ministry of Natural Resources."

2:30 p.m.

There has been some criticism that there was a lack of public consultation leading to the signing of the December 17 agreement. I am sure honourable members understand that the sensitivity of the negotiations, especially in the absence of a legal or constitutional framework,

meant that the principles of the agreement were discussed primarily among the three parties, the governments of Ontario and Canada and the status Indian people of Ontario.

As negotiator for the province, I ensured that the interests of all users in Ontario were presented, but I wish to advise the House today that after the first draft of the agreement was reached in August 1982, I did involve interest groups in discussions of this matter.

On August 14 and November 25, I met with the executive members of the Northern Ontario Tourist Outfitters' Association to bring them up to date on my negotiations and how I expected they would change fishing regulations. They provided me with criticisms and comments, some of which affected the final terms of the agreement and the understanding of the parties concerning fishing issues. I also held consultations with representatives of the Ontario Federation of Anglers and Hunters in December to bring them up to date and to solicit their advice.

Now I wish to review briefly some of the more important articles in the agreement as it now stands.

Article 1 is an outline of the purpose I described earlier.

Article 2 explains the role of the independent biologist. This biologist is to study the fisheries resource in areas where it is of significance to the Indian people, then offer a biological position from a neutral source. The independent biologist also will be expected to liaise with the Indian people and the ministry regarding the biological basis for commercial fishing licence conditions. This should help develop support and respect among Indian people for my ministry's biological judgements concerning commercial fisheries.

Article 3 offers the first step towards both legally recognizing the practice of harvest fishing and controlling this practice in the interests of conservation for the benefit of all the people of Ontario. This is particularly significant in that the Indian people have recognized the role of government in managing what they perceive as an aboriginal right. I should also note that the Minister of Natural Resources will have the authority to limit and control harvest fishing with a view to conservation of the resource and that such restrictions will be enforceable by regulations under the federal Fisheries Act.

Article 5 ensures that laws governing commercial fishing will continue to apply equally to Indian and non-Indian fishermen. However, the

agreement provides for more extensive consultation between my ministry and the Indian people relating to commercial licence conditions to ensure that they have input into decisions concerning their livelihood.

Article 6 establishes a variety of zones to protect the traditional interests of Indian people. This will also ensure that the Indian people have input into the resource management decisions as well as economic development activities. These zones do not become effective in law until the appropriate amendments are made to the Ontario fishery regulations and/or the Fisheries Act.

I would like to outline for the House now the types of zones included in the agreement.

Zone 1 includes waters primarily adjacent to reserves and provides for exclusive use of the fishery resource by the Indian people. If there is a substantial non-Indian sport fishery, the water will be a zone 1-A to allow use by non-Indian anglers.

Zone 2 includes waters traditionally used by Indian people where there is very little, if any, non-Indian fishing activity. In this zone Indian people will have the exclusive opportunity to fish commercially under licence. It will be established only in areas where non-Indian commercial fisheries do not exist and where Indian commercial fisheries do exist. Zone 2-A provides the Indian people with exclusive opportunities for commercial fishing and other economic activities such as tourist camps. Zone 2-A will include waters where Indian people have such economic development interests and non-Indian people do not. Sports fishing activities will continue in zones 2 and 2-A.

Zone 3 will accommodate waters significant to the Indian people, but will in no way restrict other users.

I also wish to state that all persons will be allowed free and unimpeded access into and through all bodies of water, regardless of the zoning. I should also stress that zones must be accepted by Ontario and be incorporated into the Ontario fishery regulations under the federal Fisheries Act before they become effective. As part of the provincial approval I have stated that other interest groups will be consulted.

The Ministry of Natural Resources will prepare management proposals for the use of the fishery resource within each zone once it has been established. These will include rules proposed by the Indian people. All such proposals are subject to Ontario's approval and must be

put into regulation under the Fisheries Act before they become effective.

Article 7 provides for the initial appointment of 20 Indian conservation officers to improve communications and involve the Indian people in resource management. The salaries of these conservation officers will be paid by the federal government. These officers will have the same powers and complete the same training as ministry conservation officers and will be supervised by the ministry and located in ministry offices.

Article 8 provides for the appointment of an independent umpire, agreed to by all parties, who will hear disputes put forward by any of the parties with respect to the interpretation and application of the agreement. An appeal of the umpire's decision is heard by the Lieutenant Governor in Council.

Article 10, as I mentioned earlier, says the agreement does not define or recognize treaty or aboriginal rights and will not prejudice, affect or derogate the outcome of constitutional discussions designed for this purpose.

As I noted earlier, I wish to stress that public consultation is a vital aspect of this agreement. In order to implement this agreement once it is ratified, I propose to establish two advisory bodies. I have, to date, invited the Ontario Federation of Anglers and Hunters, NOTOA, the chambers of commerce, municipal organizations and the Indian band councils to suggest names of people to sit on these committees. In this manner, I will ensure that all interests are considered before I make specific decisions or before recommendations are made to cabinet.

First, there will be regional committees with members of representative interest groups who will be asked to consider and offer advice on band bylaws, fisheries management prescriptions proposed by the Indian people, zoning allocations and harvest fishing limitations based on conservation. Then we will have a provincial committee to consider and offer advice on changes to provincial regulations and issues of broad provincial interest, including the comments of the regional committees.

This agreement can come into effect only by amendments to the Ontario fishery regulations. Until these regulations can be reviewed by the provincial committee and passed by the cabinet, the status quo will remain.

The suggestions of both advisory committees will be presented to the Minister of Natural Resources, and he will review them with cabi-

net, along with amended or new fishing regulations. When regulations are issued, these recommendations will be filed with this House. The Ontario fishery regulations must then be approved by the federal government.

I should stress that this agreement will not significantly affect any existing commercial or tourist fishing business on any water body. The signatories to the agreement have all acknowledged the rights of these groups. In addition, there will be minimal impact, if any, on sports and commercial fishing in areas of intensive non-Indian use. This includes Lake Simcoe, Lake Nipissing, the North Channel, Manitoulin Island and Lake of the Woods.

I would like to conclude by briefly highlighting some of the prime benefits I feel this agreement will achieve once it is ratified.

It will alleviate confrontation between my ministry and the status Indian people of Ontario in fisheries management and administration, particularly law enforcement. As such, it will provide a more positive relationship between the Indian people and other user groups.

It will provide a way to recognize legally the needs and traditional interests of Indian people to fish for personal consumption as well as offering the government of Ontario a way to control such activities legally. Overall, this will improve the government's ability to manage the fishery in a way that recognizes conservation and all user groups.

I expect that once the agreement is ratified, the Indian people of Ontario will find it unnecessary to proceed with matters before the courts now dealing with questions of aboriginal and treaty rights. I am sure the constitutional discussions will provide for the negotiation of such rights.

It will allow us to improve fishery biological data, so the Ministry of Natural Resources can allocate fish among all user groups.

It will provide for increased law enforcement, something that will help protect fish stocks.

It will allow Indian people to play a bigger role in the management of the fisheries resource, helping them to understand fisheries management in relation to all user groups.

It will help the Indian people to increase their involvement in economic developments making use of the fisheries resource. Again, this will improve their understanding of the economics of such ventures, while helping them to co-operate with the commercial fishing and tourist fishing industries.

Above all, it will provide agreement on the

paramount importance of conservation in the management of our fisheries resource, resulting in better fisheries management and increasing the availability of fish stocks for all user groups.

I trust I have clarified some of the important points in this agreement.

2:40 p.m.

TRUST COMPANY SECURITIES

Hon. Mr. Elgie: Mr. Speaker, the recent movement of assets from the Crown Trust Co. offices to the vaults of the Bank of Canada has given rise to certain questions and expressions of concern, particularly on the part of persons doing business with Crown Trust Co. In order to reduce the concern about this movement of assets, I would like to make the following comments.

There are two very distinct kinds of securities under the management or control of Crown Trust Co. The first kind is securities held in a fiduciary capacity, on behalf of estates, trusts and agency operations. These are not securities owned by Crown Trust; rather, they are securities entrusted to the company for management, for example, as the executor or administrator of an estate. Woods Gordon, acting under the direction of the registrar of loan and trust corporations, was required to take possession and control of these securities and to account for all the securities being held for individual accounts.

The Woods Gordon review of these fiduciary operations indicates that the management processes and procedures being followed in respect of these securities is sound. These securities being held on account of others are under good control and are appropriately accounted for and segregated from the securities belonging to Crown Trust. Woods Gordon is satisfied that none of the lending deficiencies that I reported on Monday relates to these fiduciary operations.

The estate, trust and agency operations were not involved in the movement of securities by the Canada Deposit Insurance Corp., and dealings with those securities (i.e., the fiduciary securities) should have returned virtually to normal by now. There is a qualification of this statement in that the cash flow in respect of some individual accounts was commingled with cash belonging to Crown Trust, and it was necessary to impose the limit of \$20,000 on withdrawals of this cash.

Under the arrangements by which the Canada Deposit Insurance Corp. made its funds available to Crown Trust, the trust company was required to provide security to CDIC. The

security pledged was its own assets, including stocks and bonds owned by the trust company, not the fiduciary assets. These securities, as indicated above, are held separate and apart from those held in a fiduciary capacity for others. It was these company-owned securities that were turned over to a trustee on behalf of CDIC in accordance with normal operating procedures in such circumstances. While these securities now are being physically held by the Bank of Canada under the terms of the agreement with CDIC, Crown Trust still maintains the responsibility for the management of the portfolio, as it did before.

The final point I wish to make relates to the future and to the staff of Crown Trust. As I indicated on Monday, I believe a new arrangement should be made to enable Crown Trust to make payments to its depositors without restriction in amount as such deposits become due. Further, I stated that the new arrangement would contemplate an early transfer of the company or its business and assets to new acceptable ownership.

I wish to make it clear that it is still our intention to proceed in this manner and that in the process we expect that the present staff will largely continue in their present functions. Woods Gordon have advised me that they are impressed with the apparent competence of virtually all the officers and employees of Crown Trust, and I would not want any of my comments about the financial management of the company to reflect unfairly on its staff. Since the registrar has been in possession, we know that the staff of the company have been providing highly professional services to Crown Trust clients and customers, and we are sure they will continue to do so.

RESPONSE TO ORAL QUESTIONS

Mr. Rae: On a point of order, Mr. Speaker: We in this party are awaiting the answers to two previously asked questions which, if answered now, would give us a chance to ask perhaps slightly better questions when we come to question period.

Mr. Speaker: That is not really a point of order. I draw to the honourable member's attention that this is Thursday afternoon and time is pressing a bit. If we get on with oral questions, then he can ask at the appropriate time.

ORAL QUESTIONS

REGULATION OF TRUST COMPANIES

Mr. Peterson: Mr. Speaker, I have a question for the minister in charge of trust companies. I want to remind him of his statutory obligations under the Loan and Trust Corporations Act, and I refer, in case he has not read it, to two specific sections, particularly subsection 150(1), which says:

"The registrar shall prepare for the minister, from statements filed by the corporations and from any inspection or inquiries made, an annual report, showing particulars of the business of each corporation as ascertained from such statements, inspection and inquiries, and the report shall be printed and published forthwith after completion."

Then I refer him to subsection 154(1):

"The registrar personally shall visit or cause a duly qualified member of his staff to visit at least once annually the head office of each registered corporation and he shall inspect and examine the statements of the condition and affairs of each corporation and make such inquiries as are necessary to ascertain its condition and the registrar shall report thereon to the minister as to all matters requiring his attention and decision."

Then back to subsection 150(2), because it is very important as it relates thereto: "In the report, the registrar shall allow as assets only such of the investments of the several corporations as are authorized by this act or by their acts of incorporation or by the general acts applicable to such investments."

Subsection 3: "In the report, the registrar shall make all necessary corrections in the annual statements made by the corporations herein provided and is at liberty to increase or diminish the assets or liabilities of the corporations to the true and correct amounts thereof as ascertained by him in the examination of their affairs at the head office or any other branch thereof or otherwise." In other words, he can alter the amounts shown in the corporation's books to conform with reality as he sees fit.

Very clearly, the operative word is "shall." It imposes a positive duty on the registrar to make such inspections and reports back to the minister, and it gives him the power to increase or diminish the figures and the assets as he sees fit.

My question is, when was the last annual inspection of the trust companies, and did his registrar alter any of the figures presented by

the companies in his report to the minister?

Hon. Mr. Elgie: Mr. Speaker, let me once again make it very clear that I have asked for an internal review of all the administrative procedures, and I have asked for comments with respect to the resources within that division. That internal review will include matters such as the one being raised by the Leader of the Opposition. He can continue to raise individual questions daily about them, but I will be making a full and complete report on it once I have that report or if I feel a further report by an external body is indicated. I have said that before.

Mr. Peterson: That is not very satisfactory. Let me remind the minister of what his predecessor said on June 11, 1981.

Mr. Wrye: Where is Gordon?

Mr. Peterson: I do not know where he is today. If I were he, I would be too embarrassed to be here.

The minister said in reference to the Re-Mor/Astra situation: "We now have much more extensive internal communications . . . we feel we have new systems in place for capturing potential problems and bringing them to the attention of top management and ensuring circulation whenever there is any kind of a problem."

He went on to say, in response to questions about the administrative and regulatory capacity of his ministry: "We have something called a supplementary information list, which is a special computerized list of people who might be considered problem people. This is circulated and updated on a daily basis. We have a much more extensive investigation process today. We feel that we have done an awful lot of things and, frankly, many of the things the member"—that is, the member for Ottawa East (Mr. Roy) "is suggesting are just not needed."

That was a year and a half ago. The minister is aware that there would be untoward transactions going on under his ministry's nose. Is he just going to stand in this House daily giving no response to the very serious questions that are being asked, using personal references rather than addressing the subsequent questions, and go on forever trying to protect an incompetent ministry? Is that his approach now?

Hon. Mr. Elgie: Exactly the opposite. My intention is to have a full and complete review of it and give that information to the House when it is appropriate.

The member has raised the issue of what the previous minister said. Some months ago, I

happened to read the estimates of that last year when my colleague was the minister. I also read the reports that were made by members of the staff on changes they had made in procedures with respect to exchanging information. I did not hear anybody talking about any great dissatisfaction with the improvements that had been made, nor did I hear at estimates in November that there was any dissatisfaction with the improvement in the changes that the minister indicated and reported on at those estimates.

Mr. Peterson: How would we know?

Mr. Speaker: Order.

2:50 p.m.

Mr. Rae: Mr. Speaker, it is a foundation of our legal system in this province that no person and no body should be a judge in his own case and in his own cause. Surely we and the public of Ontario are entitled to an independent public investigation into when this ministry first learned of problems with respect to any of these three companies or, indeed, any other companies.

May I ask the minister one specific question? Is he prepared to table any and all correspondence between his ministry and the federal department or the federal inspector general of banks, any internal memoranda and any indications of any phone calls from the the industry itself with respect to any of these three companies or, indeed, any other companies that may be in trouble?

Hon. Mr. Elgie: Mr. Speaker, again, and I cannot emphasize this too strongly, the kind of internal review I have asked for, together with the statements I have clearly made—that an external review will be done if it is needed and that, in either case, I will be reporting to this House and including that aspect of things in the white paper—add up to the open reporting relationship that the honourable member is talking about and that I want.

Mr. Peterson: I just want the minister to know that I have no faith in his internal review. We have had assurances from his government, and now his response is that we should have brought those matters to his attention, when he had the positive duty under the law to do certain things that, it appears to me at least, were not done. Surely that is a cause for concern.

Is the minister aware that his annual report of 1978 was filed 11 months after the fact? The 1978 report was due and complete on November 30, 1979. The 1979 report was completed December 15, 1980, 11½ months after the fact. The 1980 report was completed on August 5, 1982, 19

months after the fact. We still do not know where his 1981 report is. Presumably it is at the printers, but we do not know what it is and he is not prepared to share it with us.

He is asking us to have faith in him. That is all he is saying, "Have faith, because I am a nice fellow and I care about these things." What I want is some answers to those questions. Where were his regulators, where were the people charged with the specific responsibility of looking at these numbers and having the power to alter them? Where were they when all these things were going on up to two years ago?

Hon. Mr. Elgie: First of all, the member is making a lot of assumptions that may not be quite accurate. What I have indicated is that, rather than acting on inaccurate assumptions, I have asked for a review of the facts, and that is what I have done.

Mr. Speaker: New question; the Leader of the Opposition.

Mr. Kerrio: The investors in Astra and Re-Mor aren't wondering. What is the minister going to tell those people dragging it through the courts now for years?

Mr. Speaker: I have recognized the Leader of the Opposition.

SALE OF RENTAL UNITS

Mr. Peterson: Mr. Speaker, I have another question for the Minister of Consumer and Commercial Relations. He is aware of the concerns of the tenants of the Cadillac Fairview buildings, which were flipped over. He is also aware that there is going to be a tenants' meeting tonight to try to consider their options and protect their interests. They are trying to rest assured that their rents can be properly safeguarded and that they can be applied to the cost of living in the buildings.

The tenants do not know who the owners of those buildings are. There is some question now as to whether the property manager is in the process of attempting to sell that company. They do not know the security of that company, and I assume the minister does not know. We have enough questions with the people about whom we do have some idea, let alone about the ones who are in New York City.

These people are meeting tonight. They are contemplating several courses of action. One, of course, is to pay their rents into trust and to look after the administrative costs of the buildings themselves. I want to ask the minister this

question. What is his advice for those Metro tenants who are meeting tonight, who are trying legitimately, I believe, to think of options, at least, to protect their own interests?

Hon. Mr. Elgie: Mr. Speaker, I can appreciate and understand the concerns of those tenants. All I can say at present is that the concern they have regarding the upkeep of their buildings and the payment of rents is something we have under active consideration as well, and I hope to have some comments to the House very shortly.

With respect to what I should tell them to do, I am sure the honourable member knows full well that they should seek careful legal advice before they take any steps.

Mr. Peterson: Has the minister any lawyers he would like to share with them?

I want to ask the minister about the proposed sale that has been reported from Maysfield Property Management to a company called International Capital and Development Corp. He is aware that this company apparently is in New York, but there is very little information as they are not speaking on the telephone. According to Dun and Bradstreet, it derives most of its income from investment advisory services to offshore clients. It is in the shipbuilding and repair business and in real estate development in Miami. It does not appear to be a conventional property management firm. We cannot see any information in its background that gives us any assurance that it has the capacity or the feeling for managing these kinds of units.

Can the minister share with us his knowledge of this company? What is the state of that sale? Has he sent a letter to the Foreign Investment Review Agency, giving his view? Is he prepared to step in and prevent the sale from happening until we solve all the problems that are immediately in front of us?

Hon. Mr. Elgie: From what I have been advised about this particular prospect, I understand that if an agreement has been reached, it is an agreement in principle. The issue of any such sale is under active consideration by the legal staff representing the ministry. When I have information to convey to the Legislature about it, I will do so.

Mr. Rae: Mr. Speaker, that is a rather incredible answer. Is the minister not even prepared to indicate to the House how the government views yet another sale in this whole bizarre series of transactions which have been going on

since November? Is he seriously putting forward a point of view that this sale is somehow going to advance the interests of the tenants or any of the people of Ontario? If so, how?

Hon. Mr. Elgie: Mr. Speaker, no, I do not think I left any suggestion that the government was contemplating the value of this sale to tenants. What I said very carefully and, I think, distinctly was that the issue of this sale and some matters related to it were matters that were under active consideration by the government and by lawyers representing the government.

Mr. Peterson: Time is closing in on not only a number of events but also the minister personally. Apart from that, since the minister is aware of the fragility of the Kilderkin situation at present in that it is unable to bank and is having trouble refinancing a number of its mortgages that are out and around the marketplace, let me ask him whether he recognizes that it is increasingly fragile as a property manager.

There is a great deal of uncertainty surrounding the situation. As I suggested a few days ago, he may very well end up being responsible for all of this whether he likes it or not.

My question again is, what plans does the minister have? The tenants are meeting tonight and are suggesting taking some action. I would think he would want to have some advice for them. What is it?

Hon. Mr. Elgie: I have nothing to add to my previous answer.

KILDERKIN INVESTMENTS

Mr. Rae: Mr. Speaker, in answer to a question that was asked earlier this week, the Minister of Consumer and Commercial Relations indicated that Kilderkin Investments had met the payments required on the first and second mortgages on the former Cadillac Fairview buildings.

Since the minister did not say this to the House and has not indicated it elsewhere, has Kilderkin met the payments on the third mortgage to Seaway, Greymac and Crown Trust that it was required to make on January 10?

Hon. Mr. Elgie: Mr. Speaker, those and other matters are being reviewed by both Woods Gordon and Touche Ross in respect of the different companies. When I have information to provide to this House, I will do so.

Mr. Rae: The minister has seized the assets. Does he not even know whether payments were made 10 days ago on mortgage payments to three companies whose assets he has seized? Is

he telling the House that he does not even have that information yet?

It is appalling. If Kilderkin is in default on these mortgages, why has the government not acted to protect the remaining assets of the trust companies by exercising its right to foreclose on the mortgages and to take possession of the building? Surely, if the payments are not being made, some action has to be taken on behalf of the tenants and on behalf of the depositors.

Hon. Mr. Elgie: I do not say this in any hostile way, but we can continue to project about the future and "what if" and "what can," but I am telling the members quite candidly that as information evolves, steps to deal with the problems arising from that information will be taken and the House will be advised.

Mr. Peterson: The Ontario Securities Commission issued an order today prohibiting trading in the shares of Greymac Credit and freezing the funds and the securities under Greymac Credit. That is a new wrinkle in this whole situation. Does that situation in any way bear on the minister's assertion in his statement that some \$130 million of assets are undersecured, missing, in some way unaccounted for or not financed properly? Is that a response to the insecurity the minister has expressed?

3 p.m.

Hon. Mr. Elgie: Mr. Speaker, as the Leader of the Opposition knows, and as critics for his party have commented many times along with myself, the independence of the securities commission is an important part of the operation of that industry so I am not advised as to when or why it is doing things. I can only speculate, as I am sure he has, that—

Mr. Conway: To whom does the OSC report?

Hon. Mr. Elgie: Is the member for Renfrew North saying the minister should have more control over the OSC to tell it what to do and what not to do? If he is saying that and laughing about that, then we have a problem in this Legislature and in this province because its independence is important.

I can only speculate, as I am sure the member has. He will recall about a week ago a cease-trade order was lifted.

Mr. Rae: To get back to the original question, everybody knows that the rents from the Cadillac Fairview tenants do not even cover the first and second mortgages, much less the payment of interest on the third mortgages. Therefore, I would like to ask the minister, first, whether he

has considered the possibility that Kilderkin is using the trust company's own money, \$152 million of it, to make the payments on those mortgages?

Second, and perhaps most important, why is the government so reluctant to take any action on the buildings with respect to Kilderkin Investments when they are so central to the whole deal and when only Mr. Player knows what happened to \$152 million of the trust company's money?

Hon. Mr. Elgie: I cannot recall anyone ever suggesting a reluctance to ask questions relating to Kilderkin. As I have told the member already, there are representatives related to Kilderkin who are at present under oath by Mr. Morrison and that situation may resume shortly. I have said clearly that if the investigations under way leave some information gaps, steps will be taken to correct them. That has never been a problem for me. It may have been for the member but not for me.

Mr. Rae: I think the minister is the one with problems right now.

REGULATION OF TRUST COMPANIES

Mr. Rae: Mr. Speaker, I would like to ask the minister a question with respect to some correspondence he had on June 15, 1982, with an individual who has asked that his name not be made public. The minister may recall he had some correspondence with an individual who had a mortgage bond with a company known as Eaton Bay Mortgage Corp. which was subsequently bought by Seaway Trust.

As the minister will know, this individual wrote him asking how it was he was having such difficulty getting his money out of Seaway when he had made his original investment of all his life savings with a company whose bona fides he had no reason to question. He suggested at that time he did not have quite the same degree of confidence with respect to the investment in Seaway. That individual wrote the minister and the ministry staff was able to help him. He had to pay a penalty but eventually he was able to get his money out of Seaway and put it elsewhere.

The individual wrote the minister and asked whether the minister did not think that the legislation should be changed, and whether the minister did not think it was strange that individuals did not have the right to withdraw their money and were not able to find out more about the bona fides and more about the precise nature of the companies that were engaged in

the trust company business. This individual warned the minister that perhaps we were looking at the possibility of another Astra/Re-Mor situation. How wise that individual now seems in the light of everything that has happened.

I would like to quote to the minister his answer to that letter, in which he says, and I am quoting from the minister's reply, "There appears to be no justification at this time to change the Loan and Trust Corporations Act regarding the bond holder's rights in this area, as to do so would make the requirements for a change of ownership in this industry different and more onerous to those of all other corporations." This was on June 15, 1982, and I am sure it was an answer that was prepared for the minister.

Can the minister tell us when he personally was first advised, either by the registrar, by some other individual in his department or by someone in the trust company business, that there were problems with Seaway, with Greymac or with Crown? Can he give us the information as to when he was personally advised that there were problems?

Hon. Mr. Elgie: Mr. Speaker, I do not want to seem to be at odds with the member, because I want it very clearly understood that all of the information with respect to these trust companies will be thoroughly reviewed and reported to the House. That is the kind of information the member will get, and I am not prepared to add to it further at this time until the whole situation is seen in its whole context, which I have not as yet seen.

Mr. Rae: The minister is suggesting to this House that he is going to be judge and jury in his own case, that the ministry is going to be judge and jury in its own cause and that there is going to be no independent inquiry.

Mr. Speaker: Order. I have been patient with the honourable member in asking his questions. Now I would ask him to place a supplementary without further comment.

Mr. Rae: Is the minister not prepared today to give us a simple answer to a simple question: When was he first advised with respect to problems concerning Seaway Trust?

Hon. Mr. Elgie: Again, the leader of the third party knows very well that I have already committed a report to this Legislature with respect to the administrative practices within that division, and it is being reviewed at this moment. He also knows full well that there are a number of legal actions and potential legal actions surrounding the minister, the govern-

ment and others and there are many complicating factors. When I have that information, when I can report it to this Legislature, I will do so as expeditiously as possible.

Mr. Peterson: Mr. Speaker, surely that information is not secret; it is not going to be a part of some great report. What investigation of Seaway Trust was made by the registrar before it came before the cabinet twice in 1982 for certain approvals?

Hon. Mr. Elgie: Mr. Speaker, as I have said before, I am satisfied that the registrar and his staff were carrying on their regular duties, and I have also advised the Leader of the Opposition before, very clearly, that the recommendation of the registrar was that the asset bases of those companies should be increased and that his other option was to increase their borrowing ratio. This was his view as to the correct approach that should be taken.

Mr. Rae: Mr. Speaker, I wonder if the minister is prepared to answer yes or no to this question: Was he ever advised, either by the registrar or by people in the trust company industry, before November that there were problems with Seaway Trust? Is he prepared to answer yes or no to that question?

Hon. Mr. Elgie: I find it quite incredible that here we are in the midst—I mean this seriously—of the Morrison special examination of those five companies—

Mr. Rae: That has nothing to do with this.

Hon. Mr. Elgie: Yes, it has. Here we are with the registrar in occupation and investigating them, and with a minister who has said he is reviewing the administrative procedures within his ministry and that if it is needed we will have an external review and report to the Legislature. I have no further comment.

TAKEOVER OF TRUST COMPANIES

Mr. Epp: Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations. On Tuesday, my leader asked the Premier (Mr. Davis) what he was going to tell municipal agencies that have money invested in Crown Trust and cannot get it out.

The minister will recall that one week ago the treasurer of the city of Kitchener sent him a copy of a letter to Crown Trust's treasurer Alex Wilson by certified mail. The letter stated the city's urgent need to recover its \$1-million short-term deposit, which came due and was rolled over by provincial authorities on January 10.

Today, Kitchener treasurer Robert Eby has indicated that the city will be forced to borrow \$500,000 tomorrow and that additional funds may also be required to pay its gas bill and its current payroll. The regional municipality of Ottawa-Carleton will have to borrow \$1.8 million next week if its guaranteed income certificate for that amount at Crown Trust, which came due on January 10, is not frozen.

3:10 p.m.

I would like to ask the minister, will these municipalities be able to retrieve their assets and is it the intention of the provincial government to reimburse them for any losses they sustain as a result of the minister's mismanagement, or will property taxpayers be forced to make up the difference?

Hon. Mr. Elgie: Mr. Speaker, if I may answer in reverse, first, the minister does not acknowledge the last part of the member's statement that there was mismanagement. Second, the Premier answered the second part of his statement. Third, I indicated in my statement very clearly on Monday, and I have repeated it, that it is the intent of the government—and at this time discussions are going on between the Canada Deposit Insurance Corp. and ourselves—that in the very near future, very shortly I hope, the limit imposed on withdrawal of deposits would be lifted and we would hope that normal operations could resume.

Until I have a final determination made with respect to those issues, I am afraid I have no further answer with respect to the first part of the question.

Mr. Epp: Is the minister aware that the combined assets of the regions of Waterloo, Ottawa-Carleton, Haldimand-Norfolk, Niagara, Metropolitan Toronto and Hamilton-Wentworth, as well as the cities of Kitchener, Ottawa and Oshawa, that are tied up in Crown Trust total \$29.5 million? Region of Niagara treasurer Sidney Mowder has stated that any interest costs accruing from the end of next week for an amount of up to \$3 million are a direct result of frozen Crown Trust assets.

This situation may cause cash-flow problems for the city of Ottawa, whose \$5-million short-term deposit is due today, if the assets are not unfrozen by mid-February. The region of Waterloo would have needed to borrow money in February even if its \$2-million term deposit at Crown Trust had not been frozen. If the present circumstances do not change, they will be

forced to borrow even more. For other municipalities, investment potential is lost.

Is the minister not at all concerned about these losses, which will ultimately raise property taxes in some areas? Furthermore, another \$4 million is invested in Greymac by the region of Hamilton-Wentworth, the city of Mississauga and the borough of East York. If the minister's gloomy innuendoes of Monday are believed, these municipalities may never recover their assets. How does the minister intend to resolve this particular problem?

Hon. Mr. Elgie: The only thing the member seems to have overlooked is why the government moved, why we had this Legislature approve legislation in December to allow the moves that have taken place, and why they were taken. They were taken to protect depositors, creditors and shareholders, and that is what we have done. As to the ultimate disposition of these events and the companies, I indicated clearly on Monday the status as I knew it then and when I have more to report with respect to the outcome of events, I will do it.

Mr. Breagh: Mr. Speaker, the member for Durham East (Mr. Cureatz) was quoted in Oshawa newspapers as stating that the government's position was that it was prepared to guarantee those investments to the municipalities. I must say I read the statements so far to be slightly different from that. Could the minister clarify it to that extent on those two points? First, is the government now prepared to guarantee the investments by the municipalities in those trust companies? Second, is it prepared at least to address itself to any financial losses which might be sustained by municipalities during the period when the assets were frozen?

Hon. Mr. Elgie: Mr. Speaker, what the member is really asking is that in the event there was a shortfall—and I have no information yet to report to the House that would confirm that—he is asking that a preference be given to one individual over another. Is that what he is really suggesting? At this stage of the game, clearly no more can be said on that. I believe the Premier has answered quite clearly his view with respect to any other guarantees.

CHRYSLER PRODUCTION

Mr. Cooke: Mr. Speaker, in the absence of the Minister of Industry and Trade (Mr. Walker), I have a question for the Premier. The Premier will remember that in the last few years Chrysler Corp. has closed its truck plant in

Canada, has closed its engine plant in Canada, has announced closure of its spring plant, has cancelled its research and development facility and has unilaterally cancelled the loan guarantee agreement to which this government was a party.

What is the Premier's position on this very serious matter? Specifically, does he think it would be proper for this country to allow this company to continue to exist only with the production of vans and van wagons and no production of cars, which now seems to be the case since car production will now be going to St. Louis rather than staying in Ontario?

Hon. Mr. Davis: Mr. Speaker, I am endeavouring to check. I am not sure a decision has in fact been made. As I recall the history of it, and the honourable member has been somewhat closer to it perhaps, the original contemplation by Chrysler was to move out the rear-wheel-drive auto production. That was part of the initial arrangement.

I think what has happened in the interim is that market conditions for the rear-wheel-drive vehicles have been maintained. In fact, they have been beyond the predictions of Chrysler and this is true of some of the other auto producers as well. The plan initially called for moving auto production out of the particular plant where the van production was to go, so that was part of the understanding some two years ago. The member can correct me if I am wrong.

The only thing that has altered that original position is the question of the spring plant. The question of the diesel operation came up well after the original understandings were reached. The member is shaking his head, but that is factually correct.

Mr. Cooke: They were going to have cars.

Hon. Mr. Davis: I am just giving the member all the components of the particular question he has asked.

The projected diesel operation came to the fore last June, according to my recollection. It was further dealt with early in September and even at that stage the Chrysler people, along with Massey Ferguson and Perkins, were optimistic about the market. Since then, and I cannot account for this, the market conditions have altered to where the people at Chrysler feel there is some question as to the viability of moving a significant part of their production towards diesel.

That happens to be a judgement made by

Chrysler, one that is supported by others in the industry. Do not ask me why. Whether it is the price of gasoline or the fact that people prefer gasoline-driven vehicles to diesel, I am not an expert in that area, but that is the history.

With respect to the research facility, that was the involvement of this government in terms of the understanding that was reached a couple of years ago. It was part of what we suggested would be necessary for Ontario to support. They have not approached us to draw down any of those funds and we are under no obligation to Chrysler Canada.

I expressed reservations at the time the initial agreements were made with respect to having a single product. At the same time, that was accepted by the United Auto Workers, as I recall. The only component that has altered is the closing of the spring plant. If the member goes back historically, he will find there was no commitment with respect to the production of passenger vehicles going back those two years.

If the member is asking me whether I personally would like to see continued passenger vehicle construction or assembly by Chrysler in this country, the answer to that would be yes, but I am factually trying to give him my recollection of the understandings.

Mr. Cooke: The Premier might try to refresh his memory. When the van wagons were to go into the present car plant, the van plant was going to be retooled for cars. A deal was struck and changed that there would be no car produced here when there was an agreement for a diesel engine.

Chrysler unilaterally cancelled the diesel engine. Now the variety of products that will be produced by Chrysler in Windsor will be vans and van wagons, making that city incredibly vulnerable. We will probably see that van plant go from two shifts to one and perhaps no shifts whatsoever within two years.

Since this company has unilaterally cancelled the loan guarantee agreement by cancelling the engine plant and closing the spring plant, what are the Premier's expectations? What role will this government take in negotiating a new loan guarantee agreement? Will the Premier make a commitment that it will be the position of this government that cars must be produced in this country if they are going to get assistance from this government?

3:20 p.m.

Hon. Mr. Davis: I regret that the Minister of Industry and Trade is not here. My recollection

is that we are not committed to any loan guarantees at this moment, nor are we being requested to provide any. If I am incorrect in my recollection, and I am going totally by recollection, I will be the first to acknowledge it tomorrow. The way things have unfolded, if the member goes back I think he will find we are not committed to any loan guarantee for Chrysler Canada.

Mr. Cooke: Because they have opted out.

Hon. Mr. Davis: They said they did not want the guarantee. I remember the member's rhetoric; when we got into loan guarantees, he was unalterably opposed to them. Now Chrysler are saying they do not want a loan guarantee, he is saying we should give it to them, force it upon them. He is being totally inconsistent and contradictory. He is altering his position once again on this issue, and he and I both know it.

To get back to the diesel plant, I was involved in some of the discussions. There was no firm decision to move ahead with this new diesel facility. Perkins and this government were enthused about it but it was not part of the initial "loan guarantee." If the member wants me to reiterate that I would be delighted to support something other than just the van production, there is no problem. I would like to see a greater diversity of product.

I also suggest it is unfortunate that he is as pessimistic about the marketability of the new van. Once again, I will not say I think it is going to be successful—

Mr. Cooke: That is not what I said about the new van.

Mr. Speaker: Order.

Hon. Mr. Davis: That is what the member said about the van plant; he was trying to negate.

I am not defending Chrysler, but he should look at the figures in terms of employment in this country vis-à-vis the United States. He should then ask himself, in all objectivity and fairness, if it is possible for him to be objective and fair on this issue, whether we have not maintained a fair share in terms of total employment within Chrysler, both US and Canada.

Mr. Wrye: Mr. Speaker, while we are looking at employment, I suggest the Premier might also have a look at the car sales vis-à-vis Canada and the United States. I think he will find the Canadian market has been a very good one for Chrysler.

Let me remind the Premier of the climate of uncertainty of two or three years ago as to the

very survival of the Chrysler corporation when the first loan guarantee agreement was struck and the amended agreement continued a clause in which the company could not close the spring plant without ministerial approval. He knows that approval has not been forthcoming, as of this date, from the federal minister. He will also remember that this government committed a \$10-million grant to Chrysler for a research and development facility that apparently he had some expectation that Chrysler would draw down on.

Is it the view of the Premier and of this government that the loan guarantee agreement should be upheld by this company, keeping in mind that all its Canadian facilities are in Ontario, including the spring plant? Can the Premier tell us his view in terms of the company's failure, which he expected them to follow, to draw down any of the money and set up research and development? What are the Premier's views on these matters?

Hon. Mr. Davis: Mr. Speaker, I think the member is perhaps asking the wrong person with respect to two or three of those questions. The federal minister cannot live more than three or four miles from the member when he returns to his constituency on the weekend, and the commitments that were contained in the initial agreement were commitments to the government of Canada. Our involvement related to the possibility of us providing some funding for an R and D facility. At this moment it appears that Chrysler is saying to the government of Ontario: "We do not need your money. We are not going to draw down that money." That is where we stand.

If the member is asking me whether I would like to see more R and D, whether it is by Chrysler, General Motors, Ford or American Motors-Renault, the answer to that obviously is yes. If he is suggesting to me that, in terms of our agreement, Chrysler has negated the agreement, I have to answer in the not totally legal sense that it is not obliged to come to us saying: "We have \$20 million for an R and D facility. Where is your 50 per cent?" There was no obligation to do that. That was the extent of our commitment. I think perhaps the member is confusing our involvement in the initial agreement with that between Chrysler and the government of Canada.

Mr. Kolyn: Mr. Speaker, I have a question for the Attorney General (Mr. McMurtry), but I

notice he has left the chamber. I will defer the question until tomorrow.

Mr. Wrye: Mr. Speaker, I have a new question.

Mr. Speaker: Just before you place your question, the Minister of Consumer and Commercial Relations has the answer to a question asked previously.

TAKEOVER OF TRUST COMPANIES

Hon. Mr. Elgie: Mr. Speaker, on Monday and Tuesday of this week, the leader of the third party posed the question of whether Guaranty Trust or the Trust Companies Association of Canada acted on insider knowledge in withdrawing or attempting to withdraw funds from Crown Trust.

On Tuesday, I said in the House that I was awaiting information from Mr. Alan Marchment, chief executive officer of Guaranty Trust, and Mr. William Potter, president of the trust companies association. I have since received letters from both individuals and I have spoken to them as well. I would like to read the relevant portions into the record.

The letter from the trust companies association, referring to its transfer on January 7, 1983, of \$60,465 from Crown Trust, states in part:

"This transfer was made by the appropriate officers of the association from demand funds for the purposes of meeting current expenses and has been used for that purpose.

"In view of the statements made in the media in connection with this transfer, it might appear that the association received an advantage over the depositors of Crown Trust Co. at large. In order to dispel this impression, the association has determined to redeposit with Crown Trust Co. the amount of \$60,465 and to leave such deposit with Crown Trust Co. until its position has been clarified. Further, the association will not withdraw the funds until it is determined it can do so without prejudice to other depositors."

The letter from Guaranty Trust, referring to the—

Mr. Foulds: Would you buy a used security from this man?

Mr. McClellan: You are putting the cookie back in the cookie jar.

Hon. Mr. Davis: You have left yourself very vulnerable. Some might describe you as being one of those cookies.

Hon. Mr. Elgie: I wouldn't speak too soon. The member opposite should just hang on for five minutes before he puts his foot in his mouth again.

The letter from Guaranty Trust, referring to its attempted withdrawal of a \$1-million deposit certificate, states in part:

"Guaranty Trust itself does not have any deposits with Crown Trust or own any of its securities. It does, however, have estate, trust and agency accounts which have Crown Trust deposits and securities. Crown Trust short-term time deposits of 30 days to 180 days, although bearing a specific term, have always been treated as callable on demand and, on request, have been redeemed by Crown Trust prior to maturity.

"Increasing media speculation regarding the affairs of Crown Trust, Greymac and Seaway led our investment department to consult with, and at the request of an investment adviser to an estate, to ask for early redemption of a large 38-day time deposit due January 14, 1983.

"As was customary, our investment department telephoned this request to Crown Trust, but was advised subsequently that their short-term paper was no longer callable on demand and therefore would not agree to early redemption.

"In every respect, this matter was carried out in the routine course of trust company operations on behalf of customers, without any involvement of or the knowledge of the chief executive officer of Guaranty Trust, who maintains strict and complete confidentiality."

Mr. Speaker, I have just been handed a note this moment from the Ontario Securities Commission, indicating that it is issuing a news release now, announcing that it has made inquiries about Guaranty Trust and the trust companies association and is satisfied that they did not make use of insider information.

EMPLOYMENT AGENCIES

Mr. Wrye: Mr. Speaker, I have a question for the Minister of Labour. It concerns the discussion paper which was released by his ministry last month on the subject of employment agencies and discrimination.

At the time of its release, some quite properly demonstrated the absurdity of one of the report's proposed remedial measures to detect discrimination. I am referring, as the minister well knows, to a method of keeping records to identify minority applicants which is described on page 22 of this report. This method would have employment agencies and perhaps at some stage even government officials clearly violating the law in order, theoretically, to uphold that very law.

Will the minister now completely rule out this method as even a possibility for consideration? As reported in one press account, why has the minister not simply decided to use the option of charging agencies under the existing laws or of moving to remove their licences where they are violating the code?

3:30 p.m.

Hon. Mr. Ramsay: Mr. Speaker, the document in question is exactly what it is called—a discussion paper. It is nothing more than that. Obviously it has already provoked some discussion and comment. We hope it will provoke considerably more and that we will be able to look at it in the total context once all the representations have been made on that paper.

Mr. Wrye: Does the minister not understand that by not now ruling out this possibility of violating the law in order to uphold the law, he continues to raise the possibility for some that this is exactly how the ministry will proceed? It will focus the entire attention of the public on this discussion paper and on those who wish to respond to it on this very issue, which may indeed be a smokescreen.

Why does the minister not rule out any possibility of moving on this option so that people can look at the rest of the paper clearly and decide what other options ought to be followed? Why does he not just stand up and remove it now?

Hon. Mr. Ramsay: I will be pleased to take that suggestion under consideration.

ASSISTANCE TO FARMERS

Mr. Swart: Mr. Speaker, in the absence of the Minister of Agriculture and Food (Mr. Timbrell) I would like to ask the Premier a question. I am sure the Premier recognizes the serious and worsening financial plight of the farmers in this province.

As indicated by the figures released by the Department of Consumer and Corporate Affairs yesterday, farm bankruptcies are 58 per cent higher than in 1981. Forty-three per cent of all bankruptcies of farmers took place in Ontario although we only have 25 per cent of the census farms. Will the Premier recognize that this disproportionate share of bankruptcies occurring in Ontario is due to the inadequacy of the government's farm policies, specifically under the Ontario farm adjustment assistance program?

The minister pledged \$60 million to go to those farmers and has only paid out \$16 million

as of now. Unless there is a change in the eligibility criteria, it will not pay more than \$20 million at the most by the end of the fiscal year. Will the Premier give a commitment to this House as head of the government that, either by changing OFAAP or by some other program, all of the \$60 million will be used in this fiscal year to assist those farmers who are in real need?

Hon. Mr. Davis: Mr. Speaker, I—

Mr. Stokes: Yes.

Hon. Mr. Davis: Who said that?

Mr. Laughren: Nobody; answer the question.

Mr. Swart: That was you.

Mr. Speaker: Order.

Hon. Mr. Davis: Mr. Speaker, in answer to the first part of the question, yes, I am aware of the concerns in the farm community. The member also asked whether this government was concerned with respect to the financial position of a number of farmers; the answer to that is yes.

As the member has pointed out, we have programs we think have assisted in a substantial way a number of the farmers in this province. Of course those programs are ongoing. I cannot say to the honourable member whether the total of \$60 million, which is part of that program, will be entirely used by the end of the fiscal year or not. I cannot answer that question except to say this government has always recognized the needs of the farm community. We have always supported them and we will continue to do so.

Mr. Swart: Surely the Premier must recognize that in spite of the lower interest rates, because of the fall in farm prices, farmers are in worse condition now than they have been for many decades. Would he specifically answer whether he is willing to use the full clout of his office with the banks and the federal government to bring about refinancing of all fixed-term farm loans which are substantially above the present current interest rates? In these cases the banks should take some of the load and responsibility in these times.

Also because of the dramatic drop in farm commodity prices, will he discuss the matter with his Minister of Agriculture and Food and arrive at a program whereby substantially advanced provincial income stabilization payments on the 1982 crops will be made? These payments otherwise will not be paid until the fall of this year.

Hon. Mr. Davis: Mr. Speaker, the supplemen-

tary on my count contained roughly four questions, and I will not endeavour to answer all four. The last one is freshest in my mind. Will I consult with the Minister of Agriculture and Food related to that question? The answer to that part is yes.

Mr. McKessock: Mr. Speaker, is the Premier aware that other provinces in Canada are supporting their farmers considerably more than Ontario is—all farmers in general but particularly the beef farmers? Is he aware that some of the provinces are assisting the Farm Credit Corp. by giving interest assistance to those farmers who have farm credit mortgages to reduce the mortgage to eight per cent for the first five years and 12 per cent for the following five years? Would he consider doing that for Ontario farmers to see that they have the same competitive opportunities as farmers in other provinces?

Hon. Mr. Davis: Mr. Speaker, I am aware of the policies in some of our sister provinces. This has been discussed in this House on many occasions. The member always equates those policies, with respect to the other fiscal policies of those governments, with other programs or tax levels that impact upon the farm community. If he would sort all of that out, he would find our policies here are not really that dissimilar to those of some of our sister provinces.

I think the second part of the one question was, would we consider doing something similar to what is done by some of our sister provinces. We have never been reluctant to reassess any of our programs or to find ways and means of improving them. That does not mean they necessarily would be the same as our sister provinces, because they may not suit the needs of the people of this province.

Mr. Conway: Ultimate Davis equivocation.

Mr. Speaker: Order.

INVESTIGATION OF TRUST COMPANIES

Hon. G. W. Taylor: Mr. Speaker, in answer to a question from the member for Riverdale (Mr. Renwick) on January 18, the Ontario Provincial Police anti-rackets branch is conducting an investigation that covers the purchase of Cadillac Fairview properties and therefore includes Crown Trust, Seaway Trust and Greymac Trust.

Detective Inspector J. E. Szarka and Inspector R. W. Smith are directing the investigation. They are being assisted by members of the Royal Canadian Mounted Police, commercial

crime section, Toronto, and investigators from the Ministry of Consumer and Commercial Relations. Legal advice and assistance is being provided to the Ontario Provincial Police by John Takach, QC, acting as the Assistant Deputy Attorney General, criminal law division, and Howard Morton, QC, director of the crown law office, criminal, of the Ministry of the Attorney General.

The investigation commenced December 6, 1982, after consultation both in November and early December involving the Ministry of Consumer and Commercial Relations, the criminal law division of the Ministry of the Attorney General, and the Ontario Provincial Police.

I realize I have not provided all of the specifics required by the honourable member but I am not able to comment further at this time on the specifics of the investigation.

Mr. Renwick: Mr. Speaker, perhaps the minister might respond to one supplementary question. He was reported this morning in the *Globe and Mail* to have indicated that Kilderkin Investments was not a part of that investigation. Yet his statement today spoke about an investigation of the transaction respecting Cadillac Fairview apartments. Does the investigation net extend more broadly than simply over the three trust companies about which I asked him earlier this week?

Hon. G. W. Taylor: I prefer not to comment on the matter any further than I have. I am under the same difficulty as that of my colleague the Minister of Consumer and Commercial Relations (Mr. Elgie) since there are ongoing investigations. There are people being asked questions under oath and it presents some difficulty for me to comment any more than I have done. I hope the honourable colleague will bear with us at this time on my reply to the question as he has presented it.

3:40 p.m.

SUPERVISION OF VISA SCHOOLS

Mr. Bradley: Mr. Speaker, my question is to the Minister of Education. As the minister is aware, two more private schools in Toronto—and I am referring to those that cater for the most part to people from the Caribbean and from Asia—have gone out of business. That makes four since last fall that have gone out of business.

I recognize I could ask the question as easily to the Minister of Consumer and Commercial Relations (Mr. Elgie), but can this minister

report to the House what kind of supervision takes place in these schools? I recognize they are private schools, but in order to grant high school certificates they must have inspections from her ministry.

What kind of supervision takes place in these schools, most specifically in regard to the financial viability of these schools and their business practices?

Hon. Miss Stephenson: Mr. Speaker, it is my understanding that as a part of the requirement for the issuance of—I do not suppose it is called a licence—some kind of permission to establish a private business, which is what these schools are, there is an examination of the capability of the principals to manage. There is also a determination of the financial background.

The Ministry of Education is not involved in that kind of examination. Our responsibility relates to continuing supervision of the curriculum and the delivery of the education program. If the honourable member is asking whether I can give him a history of careful examination of all of these schools within the past year I can provide him with that within a day or so because we have it documented.

Mr. Bradley: In view of the fact that we have had these recent experiences, will the minister give an undertaking to the House that an investigation will be conducted into the financial viability of all of these—for want of a better word—visa schools that exist in Ontario? The investigation should determine whether or not they have the necessary financial backing to continue to operate on a proper basis—bonding, for instance, or some way to ensure there is sufficient backing.

People who are lured to Canada through the advertisements that appear in newspapers and other places in Asia and the Caribbean might then feel they are going to get their money's worth. Also she would know that Ontario is operating in good conscience a business that is respectable in all ways.

Hon. Miss Stephenson: I can certainly attempt to determine the requirements that are laid down for the establishment of such schools. Since the responsibility for carrying out such an investigation would belong to my colleague the Minister of Consumer and Commercial Relations, I shall speak to him about that. We do not have the capability for that kind of examination.

But I object just slightly to the honourable member's use of the word "lured." Indeed, the advertisements that may appear in certain for-

eign newspapers are no more alluring than those that are published by various other private schools in various other jurisdictions. Also there are several public school boards that have made such advertisements available in foreign newspapers. I do not think they have been either alluring or lurid, but they have ensured that the students who have arrived to attend those schools have received an excellent education program.

I would also like the member to understand, and for the information of the House, that the other members of the group of organizations that provide this kind of education have until this point banded together to ensure that the students' education program is not interrupted by the demise of one or more of the private visa schools. I think they are continuing to do so. Those students have been absorbed into other similar schools for the most part, and their education program is continuing at no additional cost to them.

PETITION

ANNUAL REPORT, REGISTRAR OF LOAN AND TRUST CORPORATIONS, 1979

Mr. Renwick: Mr. Speaker, I have a petition signed by 20 members of the opposition parties, pursuant to standing order 33, to refer to the standing committee on the administration of justice the statutory annual report of the registrar of loan and trust corporations for the year 1979 to the Minister of Consumer and Commercial Relations (Mr. Elgie), being the latest such report presented to and laid before the House. This would be for committee consideration of the practices and state of affairs within each of Crown Trust Co., Greymac Trust Co., Seaway Trust Co., Greymac Mortgage Corp. and Seaway Mortgage Corp., that are or may be prejudicial to the public interest or to the interests of the depositors, other creditors or others having trust, contractual or business relations with such corporations. This would include without limitation the circumstances surrounding the involvement of each of such corporations in any or all of the transactions relating to the Cadillac Fairview apartments.

Mr. Speaker: I would like to take that under advisement and report back to the House later. I am not sure whether it falls within the standing orders.

Mr. Renwick: Mr. Speaker, if that one does

not fall within the standing orders of the House I would be extremely surprised.

Mr. Speaker: We may all be extremely surprised.

Mr. Peterson: Mr. Speaker, there may be a simpler way to resolve it. Rather than tax you and your very well trained and efficient officials in drafting a response, you may just want to agree to unanimous consent now, sir, to avoid all that difficulty and we can proceed with dispatch.

Therefore, I would ask you, sir, to ask the government House leader for unanimous consent to proceed with the very fine petition presented by my friend from Riverdale.

Hon. Mr. Wells: I think it would be a good exercise to have the Speaker of this House exercise his judgement in the matter and we can see what he has to say.

Mr. Renwick: Perhaps, before you were to presume to come to any adverse decision with respect to that matter, we would have an opportunity to present our views with respect to it?

Mr. Speaker: I am not sure whether or not I need the exercise, but I do not have the list in front of me and I would like to consult the appropriate list to see if the request for the petition as presented by the member for Riverdale does indeed fall within the standing orders.

Mr. Renwick: Perhaps, Mr. Speaker, I can comment about that. I have examined the list, sir, and the list is not an accurate list.

Mr. Speaker: I am very pleased to hear that but I do not have a copy with me. I shall reserve judgement.

Mr. McClellan: Perhaps I may just make a comment with respect to this point, sir. I think it would be helpful if, at the same time you are looking at the list, you would look closely at the language of the standing order. It has a subordinate clause that empowers you to consider a statutory report that has been laid before the House by a minister, whether or not that report is on the list. So you have two pieces of evidence to study before you render your decision.

Mr. Peterson: On the same point, if I may, I know that in your deliberations you will be spending the majority of your evening delving into this question. I agree with my friends from Riverdale and Bellwoods, but in addition there is precedent for this point. I would respectfully submit, if you check your precedent book, the original inquiry into the Re-Mor matter was by a referral under the same standing order of the

report of the Ministry of Consumer and Commercial Relations.

If you hesitate on the point of the member for Riverdale because you have a different judgement, the report of the registrar is a statutory report and should be able to be referred under the rules of this House. I say that to assist you in your deliberations.

Mr. Speaker: I shall give this matter my very serious consideration and report back as quickly as I can.

REPORT

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Mr. Eves from the standing committee on regulations and other statutory instruments presented the following report and moved its adoption:

Your committee begs to report the following bills without amendment:

Bill Pr27, An Act respecting the City of Ottawa;

Bill Pr42, An Act respecting the Corporation of the City of Pembroke.

Your committee begs to report the following bills with certain amendments:

Bill Pr48, An Act to revive Glanworth Investments Ltd.;

Bill Pr51, An Act to revive Beth Sholom Synagogue.

Your committee would recommend that the fees, less the actual costs of printing, be remitted on Bill Pr51, An Act to revive Beth Sholom Synagogue.

Motion agreed to.

MOTION

COMMITTEE SITTING

Hon. Mr. Wells moved that the standing committee on resources development be authorized to sit Monday evening, January 24.

Motion agreed to.

ORDERS OF THE DAY

PRIVATE MEMBERS' PUBLIC BUSINESS

ONTARIO HYDRO

Mr. J. A. Reed: Mr. Speaker, before proceeding with the motion at hand I rise on a point of personal privilege to point out to the House that the spelling of the name of the author of the ballot item in the Order Paper is different from

that in the business for Thursday and to advise the House that they represent the same person.

Mr. Speaker: There was never any doubt.

Mr. J. A. Reed moved, seconded by Mr. Kerrio, resolution 40:

That in order that Ontario Hydro be made accountable to the people of Ontario, in the opinion of this House the government should:

(1) Immediately introduce legislation requiring the Minister of Energy on behalf of the government to issue on or before the first day of July 1983 a comprehensive policy directive setting out the policy framework in respect of the production, generation, transmission, distribution, supply, sale, use and development of energy resources in Ontario within which Ontario Hydro must operate.

The policy directive and any amendments shall be tabled in the Legislature and shall contain: (a) a statement of the respective duties and functions of the government of Ontario and Ontario Hydro in relation to energy matters; (b) a specification of the policy objectives of the government of Ontario in relation to energy matters; (c) a specification of the financial objectives of Ontario Hydro; (d) a specification of the limitations that may be imposed upon the operations of Ontario Hydro by the government of Ontario and the conditions under which these limitations may be imposed; and (e) a description of the future operations to be conducted by Ontario Hydro in order to fulfil its responsibilities and assist in achieving the policy objectives established by the government of Ontario, including an estimate of the extent to which these operations will require financial assistance from the government of Ontario. And:

(2) Immediately appoint a committee of the Legislature to review Ontario Hydro's proposed system expansion program, its performance in relation to the above-mentioned policy framework and such other matters as the committee may consider relevant for its purposes.

Mr. Speaker: Before proceeding I would like to remind the honourable member that he has up to 20 minutes for his presentation and may reserve any portion of that time for his windup.

Mr. J. A. Reed: Mr. Speaker, I would like to reserve about five minutes for a windup at the end of this debate.

The thrust of this idea has been presented to this Legislature before. It has been the policy of my party that a committee of the Legislature, either a select committee or a standing committee, be reconvened so that we may address the

objectives as outlined in this resolution so those things are clear.

I think the debate should take on a new light as we discuss the need for the adoption of this resolution. I am not a financial expert, and would not pretend to be. Neither are most of the people who pay electric power bills in Ontario. However, I think it is worth while for all of us to spend a few minutes so that we may understand the financial situation that Ontario Hydro is now encumbering the people of Ontario with, and the direction the utility is headed.

The thing boils down to what is called, in the financial world, the debt ratio. The debt ratio is something that is not fully understood. To oversimplify it, it is the percentage of the total capital investment that is still debt, compared with the amount of capital investment that is actually owned. Ontario Hydro's debt ratio—or, as it is usually called, debt-equity ratio—is 84 per cent. It has slipped to that abysmal point.

In talking with some business people who are expert in the field of company solvency, I learned that a debt ratio of 40 per cent would be considered responsible and one of 50 per cent should precipitate some action to correct it and return it to the 40 per cent level. But Ontario Hydro's debt ratio, I repeat, is now 84 per cent and slipping daily. What that means is that the difference between the responsible operation of a corporation and the 84 per cent is representative of unpaid debts owed by Ontario Hydro. There is only one place the utility can collect that unpaid money and that is from the electric power consumers in Ontario.

I suggest that since the time of the presentation of the last private member's bill in 1979, we have moved to an oversupply of electric power potential in Ontario of 49 per cent. We are doing it primarily with the cost of building the Darlington nuclear plant. At the same time, we know that while Ontario has never espoused the policy of the export of electric power, Ontario Hydro now is desperately searching for electric power customers outside the province.

We know, as well, that Ontario Hydro has found it very difficult to compete with other utilities. I would put on record the experience with the proposed sale of electric power to General Public Utilities in the United States and GPU's turndown of Ontario Hydro because it found a more competitive utility, namely, Detroit Edison, inside the US.

4 p.m.

It is particularly embarrassing that we should have an 84 per cent debt ratio when fully one

third of our electric power potential is virtually paid for—written off; that is the hydraulic system, most of which was put in place many years ago.

Mr. McKessock: I will bet the plant of the member for Halton-Burlington is paid off too.

Mr. J. A. Reed: As a matter of fact, it is.

As I say, it is particularly embarrassing that one third of the power system is essentially paid for and yet we have an 84 per cent debt ratio. It is difficult to contemplate how we are going to extricate ourselves from this problem, but let us point out that this 84 per cent debt ratio represents 50 per cent of Ontario's borrowings. If there ever was a constraint on Ontario's ability to recover financially and become prosperous once again, much of that constraint lies with the bondage it has been placed in by this utility's debt ratio.

I can only say the direction it is headed in is a worsening of this situation. Yet we are asked to accept the waste, the cost overruns and the failure of Ontario Hydro's management forces to control this galloping empire. We are asked to accept the overbuilding. We are asked to accept the cost overruns in all the recent projects.

We are also asked to accept the fact that the Minister of Energy (Mr. Welch) is not responsible for Ontario Hydro. We were treated to a memorandum of understanding that was five years in the making and was tabled on December 22, the day after the Legislature closed. It had to be so embarrassing to the government of Ontario that it signed the agreement on November 8 and would not table it until December 22, and an embarrassment it is. I am almost embarrassed for the government.

My colleague the member for Niagara Falls (Mr. Kerrio) is going to have more to say about the memorandum of understanding, but I want to give the salient line in this memorandum. It says, "The minister is not responsible, however, for the control and direction of the business and affairs of Ontario Hydro."

The minister is not responsible. We are asked to accept all these cost overruns. We are asked to accept the take-or-pay oil contract, which the minister has never been allowed to see. He has never even seen it, and yet it has cost the taxpayers of this province some \$33 million or \$35 million for heavy oil not used. It is take-or-pay. We are bears for punishment.

The only control that exists in terms of Ontario Hydro lies with the Treasurer (Mr. F. S. Miller), whose predecessor was the only person

on the government side who ever tried to exert any control over Ontario Hydro. At that time, he imposed a \$6-billion cut in Hydro's massive expansion program. The members will remember, reading the press of the day, that Ontario Hydro then held a press conference and said, "We are going to have brownouts and blackouts in Ontario." What absolute nonsense. Today we have an oversupply of 49 per cent. The only justification that has ever been given for the 49 per cent is that it is better to have too much than too little. From here on in, we are going to pay dearly for those excesses.

In opposition, we proposed a constructive alternative to this dilemma. The constructive alternative consists of simply legislating the Ministry of Energy, through the Energy Act, to produce an energy policy that will provide a framework within which Ontario Hydro can operate. The same legislation would contain an amendment to the Power Corporation Act to force the utility to accept it. It sounds oversimplified, and perhaps it is, but it seems to me that kind of thrust would make the Minister of Energy, for the first time in history, answerable to the people of Ontario, in the Legislature, for Ontario Hydro.

We also proposed the creation of a committee of this Legislature to examine Ontario Hydro. Indeed, the prospect has been considered, not unfavourably, by the Minister of Energy and by the Premier (Mr. Davis). We did have a select committee on Ontario Hydro affairs that made a profound impact on the utility. In spite of the time and effort it took on the part of its members, I believe it turned out to be a very positive force. It disappeared with the realities of March 19, 1981, but we believe it still has a very important role to play. It seems to us that the taxpayers and electric power consumers of Ontario deserve no less.

These are constructive suggestions we have made to the government. We feel implicitly that they are more important, more current and more valid this afternoon than they were in the spring of 1979, when we introduced the act respecting the public accountability of Ontario Hydro.

We have no place to go but up. We are at the bottom. How far can the utility be allowed to slip? Can it be allowed to slip into total bankruptcy? Can it be allowed to go right down to the bottom? Can we continue to justify the overexpansion of the system with short-term, highly capital-intensive projects that seem to double or treble in price by the time they come

on stream? Is that the kind of economic renewal we need and want in Ontario?

I suggest it is sheer madness. We have gone from a Darlington nuclear plant booked in at \$5 billion, to a currently projected completion figure of \$11 billion. I dare say it does not take a very hazy crystal ball to predict that when the project is completed, we are going to have an idle plant that will have cost in the neighbourhood of \$16 billion or \$17 billion, which is about the equivalent of the whole capital investment of Ontario Hydro at present.

I do not know how these things can be tolerated any longer. Everything Hydro is doing now is affecting Ontario directly in terms of its borrowing. We are in a box, and we have to get out of it. The only way we can get out of it is by a responsible change in the way we operate Ontario Hydro.

I know I am going to be accused of wanting to take over the day-to-day operations of the utility. That was thrown at me in 1979. They said, "All you want to do is have political control." That is not the case.

Let us make it clear that what Ontario Hydro needs, expects and deserves is a policy framework within which to work and to understand its role. Executives of Ontario Hydro should not have to be thrown into the political fray as happens on a continuing basis at present. They should continue to do what they do best, and that is generating electricity. To do that, they will have to have, for the first time, a clear understanding of where they are now and where they are headed. The Minister of Energy, for the first time, should become the person responsible to the people of Ontario for that great utility.

4:10 p.m.

Mr. Foulds: Mr. Speaker, I wonder whether I can have unanimous consent to have a cup of coffee brought in to me to lubricate my throat because I have a cold. I am quite serious.

Interjections.

The Acting Speaker (Mr. Cousens): No. There is water available.

Mr. Foulds: Thanks a lot.

Mr. J. A. Reed: Can we not have unanimous consent so the member can speak? He is obviously having trouble with his throat this afternoon.

Mr. Williams: Water does it better than coffee.

Mr. Foulds: Mr. Speaker, I rise in support of the honourable member's resolution, I think, if I

can get through some of the initial wording which gave me a little difficulty.

The resolution gives us a perfect opportunity to talk about political leadership, the will to govern and the direction of this province. When it comes to Ontario Hydro, this Conservative government has no leadership or direction and no will to govern. Ontario Hydro has taken advantage of the situation, but it is not Ontario Hydro's fault. The fault lies with the government's failure to accept its responsibility. It lacks the will to govern and actively avoids accepting responsibility for Hydro.

Ontario Hydro is one of the largest corporations in Canada. Who controls it? It would appear nobody. The Conservative government theoretically thinks that, like all capitalist enterprises, and it considers Hydro a capitalist enterprise, it should control itself.

Therefore, there has always been an enormous ambivalence in the Conservative government's attitude towards Hydro. It has a laissez-faire attitude, on the one hand, when it suits it, and, on the other, proposes active direction and intervention in Hydro's affairs; for example, the Board of Industrial Leadership and Development document in the last election when that suited the government's purposes.

The government, and in particular the government of the present Premier, has always played games about its relationship with Hydro.

The Liberal theory is that Hydro should be broken up, dismantled and turned over to private enterprise. That is what I hear coming from their benches, particularly from the current Energy critic—

Mr. J. A. Reed: On a point of order, Mr. Speaker: The accusation made by the honourable member is probably worthy of debate, but that theory certainly has not come from these benches.

The Acting Speaker: That is not a point of order.

Mr. Foulds: I certainly thought I heard that said during the debate on the estimates of the Ministry of Energy by the current Energy critic for that party. However, I will be glad to be corrected during the course of this debate.

Finally, I want to say that this party believes the government should control Hydro, guide it and use it for the benefit of the people of Ontario. Ontario Hydro must be truly responsible and accountable, but that will only happen when there is a government with the will to do it.

In the past couple of days, there have been

two momentous happenings regarding Hydro. First, there has been the resignation of Hugh Macaulay, the present chairman, before his term was up; I will withhold comment on that for the time being. Second, the memorandum of understanding between the government of Ontario and Ontario Hydro finally has been made public.

This memorandum of understanding, which has been laboured over officially in excess of three years and I suspect somewhere between five and seven years, turns out to be an enormous disappointment. After five years of labour, Hydro and the government have produced a mouse. Maybe that is what is wrong with their long-range planning. After years of dithering and delay, the memorandum of understanding is dated, as has been said, November 8, 1982, but was not tabled until December 22, 1982.

The memorandum confirms two of our suspicions. First, this government has abdicated powers that it should have over Ontario Hydro. For example, it is clear, in my view, that the government should have control over the establishment of hydro rates. It should be clear in legislation that both the Ontario Energy Board and the cabinet have the right to roll back Ontario Hydro rates. That is the one absolutely essential amendment to the Power Corporation Act that should be passed this session.

Second, the memorandum proves the government does not use its present powers, especially the power to disallow new borrowing. Almost a decade ago, Darcy McKeough had the courage or the bluster to bring Hydro into line by using the power of the Treasurer to disallow new borrowing, thereby putting a cap on Hydro's expansion program. Lest we praise Mr. McKeough too much, he did not move to control the setting of rates. Since that time, even his kind of political leadership has been lacking.

A former Minister of Energy—who I regret to say is not present in the House today—the member for Prince Edward-Lennox (Mr. J. A. Taylor) said candidly and floridly that he “had walked the so-called corridors of power only to be mugged in the back alleys of bureaucracy.” Frankly, I believe he got mugged in the back rooms of Tory democracy; and the Conservative government treats democracy like a smoke-filled back room.

The real problem here is that there are three ministers to which Hydro has some relationship: the Minister of Energy, the Treasurer and the Premier. The trouble is that the least important of these is the Minister of Energy; that is where the problem lies. Neither the Treasurer nor the

Premier is willing to give up his long-standing and chummy relationship with Hydro.

Article 8(3) of the memorandum of understanding enforces this point. It also reinforces the point that the present Minister of Energy has not been able to wrest the power from the Treasurer or the Premier.

The basic problem is the Premier has 51 per cent of the votes in cabinet, or 51 per cent of the votes or more on the Hydro board. When all is said and done, the Premier makes the final decisions about Hydro: whom he appoints as chairman and whether an unnecessary nuclear station like Darlington is proceeded with.

The problem here is that the Premier is not influenced by common sense and economic vision. He is influenced by his obsession with technological toys such as nuclear power stations, with the subsequent effect that those nuclear power stations suck out of the economy capital that could be better put to use in creating jobs in other manufacturing sectors and in diversifying industry in northern Ontario.

It is my contention, therefore, that it is the Premier and the Treasurer who are mugging, and will continue to mug, the Minister of Energy in the corridors of power. This clearly emerges from an analysis of the minister's attempt to establish a comprehensive policy framework within which Hydro must operate.

Inadequate though it was, in September 1979, the Minister of Energy released a paper called *Energy Security for the Eighties*, which challenged the traditional policies of Ontario Hydro. For example:

(a) There were to be no more nuclear commitments through to 1995. However, by 1981, Hydro and the Premier, or somebody, had somehow bullied their way into a policy of building new nuclear plants for exporting power to the United States. Only lack of demand for electricity in the United States controls this uneconomic and silly proposal. Whether the minister was bullied by Hydro or the Premier, the Treasurer or Hugh Segal and the same people who got us 25 per cent of Suncor is, of course, up to the minister to reveal.

(b) *Energy Security for the Eighties* decided that the development of small-scale hydraulic plants should be pursued. However, despite verbal support for this, Hydro has curtailed these developments so much that this is no longer a serious element in government policy.

What has been the result of not sticking to these two original policies? The Minister of Energy has become a patsy for Hydro, the

Premier and the Treasurer—so much so that government spokesmen, including the Minister of Energy and even the Deputy Minister of Energy, who should know better, now have become among the more ardent advocates of nuclear power and, therefore, betrayers of the document titled *Energy Security for the Eighties*.

The Acting Speaker: One minute.

Mr. Foulds: Finally, the real problem is not the inadequate memorandum or the lack of a comprehensive policy framework. These are mere shortcomings and mere symptoms of the problem. I suggest that four steps could be taken that would bring Hydro under democratic control.

1. It must be clear that power to control Hydro is vested in the Minister of Energy. His veto power over Hydro's capital programs, operational budget and setting of rates must be paramount.

2. We must establish a permanent committee of this Legislature to consider Hydro and other energy matters. Such a committee must have the right to independent counsel and staff.

3. Hydro's expansion plans must be subjected to a technical review by the Ontario Energy Board, such as that which took place in 1974, every two years.

4:20 p.m.

The Acting Speaker: The member has exhausted his time.

Mr. Foulds: Finally—there is only one sentence left, Mr. Speaker—

The Acting Speaker: I thank the member. It is not fair to all other members when there is an agreed-upon time. I now call upon the next honourable member to participate in this debate.

Mr. Williams: Mr. Speaker, I appreciate the opportunity to speak to the extremely important resolution that is before the House this afternoon. I point out that the resolution actually is asking for two things. First, it is asking for a policy directive from the government to be issued by July 1, 1983.

The fact of the matter is that a policy directive already has been issued by the government and the request is redundant. We find that policy directive clearly spelled out in the memorandum of understanding tabled in this Legislature before the Christmas recess—in fact, six and a half months ahead of the time the Liberal Party wanted to see such a directive issued. Clearly the Liberal Party is very much asleep at the switch.

What does this policy directive do? Clearly it

speaks to all of the issues detailed in the resolution put forward by the member for Halton-Burlington. It clarifies the objectives and priorities of Ontario Hydro, and it sets out the operating relationships between the agency and the minister that the member for Halton-Burlington has been looking for for so long. We knew what they were, but he obviously had to have them spelled out, and they are clearly spelled out in this memorandum of understanding.

The memorandum of understanding also deals with the responsibilities of the Hydro board in a very clear and concise manner so that there can be no misunderstanding as to what those responsibilities are. In turn, article 4 on page 6 sets out the responsibilities of the minister so that his responsibilities are clearly defined within the memorandum of understanding.

There can be no misunderstanding as to any duplication or overlapping of responsibilities. It is very clear from the memorandum that the two work hand in glove, the one responsible for setting policy and the other responsible for the actual operations of the hydro utility.

What is set out on page 7 is really the nub of the memorandum of understanding, because what it says on that page with regard to government policy is, "The minister recognizes that government energy-related policy has an important impact on the decisions of the Hydro board and on the business and affairs of Ontario Hydro and agrees to keep the Hydro board informed as to government energy-related policy affecting Ontario Hydro." In turn, it clearly sets out in item 5.2, "The Hydro board agrees to carry out its responsibilities in harmony with government policy." How much clearer can it be?

Further, I point out with regard to auditing and reporting, which the sponsor of this resolution dwelt on for such a considerable period of time in the first part of his remarks, that he has only to turn to page 14 of the memorandum of understanding and there he will find, again clearly set out, what the responsibilities of Hydro are with regard to accounting in the financial field. There it clearly states in article 9:

"Under the Power Corporation Act, after the close of each fiscal year Ontario Hydro is required to file with the minister an annual report on the affairs of Ontario Hydro, which the minister is required to submit to the Lieutenant Governor in Council and then lay before the Legislature."

How much more open and above board can you be so that the people of Ontario know

clearly what the financial integrity of Ontario Hydro is?

The second point is this. The honourable member's resolution asks for a policy directive because, he implies in his resolution, Hydro has to be accountable to the people of Ontario. Let us find out what some of the people in Ontario are saying about the accountability of Ontario Hydro.

Let us first of all turn to the prestigious organization with national stature known as the Science Council of Canada, of which I am sure the member is aware, given the fact that his former leader decided to retire to that august body. What do they say? "Ontario Hydro can legitimately claim to place greater emphasis on assessment than any other corporation of similar size and allows for greater public input than any other Canadian company." Interesting.

Let us take another quote from a very objective man who is well known in public places in Ontario, one Donald MacDonald, who used to be the chairman of the select committee on Ontario Hydro affairs. In the *Toronto Star* on January 7, 1981, he was quoted as saying that he "never doubted that it," Ontario Hydro, "was the best-run utility in the world." Need I say more as to what the public is saying about the accountability of Hydro?

Let us back up those views taken by objective individuals who are well known and respected in the community for their public utterances. What about the facts? In a formal sense, we know well that the capital borrowings of Ontario Hydro, the power contracts, the property acquisitions and the construction programs all have to receive the approval of the Ontario government.

Let us turn to the question of how Ontario Hydro has been accountable in the informal sense. First, let us point out what has been happening since the 1970s as far as the accountability of Ontario Hydro is concerned.

Ontario Hydro has been involved in numerous public hearings, beginning with Task Force Hydro back in the early 1970s which was established by the government to review the structure of the former Hydro-Electric Power Commission of Ontario. The province accepted virtually every recommendation of that report.

More recently, in 1974, the Ontario Energy Board started to deal on a yearly basis with Hydro rate proposals and had to scrutinize each and every one of them before Hydro could get approval for the rate setting for each year. During that time, Hydro's financial policies and

systems expansion were considered by the Ontario Energy Board.

Principles for electric costing and pricing from 1977 to 1979 were also considered by the OEB, all during an eight-year period when a sum of money in the area of almost \$6 million—\$5.9 million—was spent on hearings from 1974 to 1981 to ensure that an objective, independent body assessed the financial viability of Ontario Hydro.

The member for Halton-Burlington seemed to take these significant statistics in a rather blasé and indifferent fashion. I want to illustrate in a much more graphic fashion, with the assistance of some of the pages in the Legislature this afternoon, exactly the extent to which we have involved ourselves in the public hearing process.

Jeff Anderson, the page from Lambton, and Robbie Howells from Stormont-Dundas-Glengarry, along with Jeff Bangs from Parry Sound and Neil Keon from Ottawa South are going to lay before the Legislature this afternoon clear evidence of just how and to what extent—and the member who sponsored this resolution will clearly understand the extent—there has been careful, in-depth public scrutiny of Ontario Hydro.

I am placing before the Legislature, and in particular before the member who placed this resolution, boxes and boxes and reams and reams of transcripts of evidence and exhibits that have been before the select committee on Ontario Hydro affairs and other committees of this Legislature for an absolutely open-book approach by Ontario Hydro on all its operating activities, whether they had to do with rate structuring—I see we are now up to nine boxes full of transcripts that clearly demonstrate what evidence was produced in the hearings—nuclear safety; mining, milling and smelting, or the safety of nuclear waste and residue. That member will well remember how we sat for hours and hours hearing the open debate on these subjects.

Since 1974, more than \$11.5 million has been spent on public hearings before select committees of this Legislature. I might point out, to emphasize the point even more, that since the beginning of the 1970s, Ontario Hydro has spent more than 612,000 hours, that is, 25,500 days, in preparation and attendance at the Ontario Energy Board, in the select committee and at other hearings. The costs to Hydro are estimated at \$17,521,000.

4:30 p.m.

Mr. Kerrio: Mr. Speaker, if I did not know better, I would think the member for Oriole (Mr. Williams) was a paid apologist for the government of Ontario as well as Ontario Hydro.

Mr. Foulds: He is an unpaid apologist.

Mr. Kerrio: But now I agree with the member that he is an unpaid apologist. The fact that he brought all of those documents before us in the Legislature to prove a point only proves that the people of Ontario were well served by a minority government. That is the only reason those boxes are there and for no other reason.

We could not get into Ontario Hydro before minority government and I have to tell the members that that was one of the best times the people of Ontario ever had, as a citizen in Ontario could begin to look behind those closed doors. Such had not been the case before and I am afraid those doors are closing on us more and more as each day goes by. That is why there is a need for such a resolution as appears before us today.

Mr. Williams: On a point of order, Mr. Speaker: I would just point out to the member that all of the committees, select or standing, that dealt with these reports were all-party committees, so we have always had a good consensus from all sides of the House on these issues.

Mr. Kerrio: I never doubted that, but it has disappeared now with a majority government. Why doesn't that committee exist now, if such were the case?

The way I see Ontario Hydro and the resolution which is before us starts with Ontario Hydro having been put before the people as a company of trust, if you will. It seems like a parallel today that there are those people who were entrusted to look after the citizens and the investors of Ontario in trust companies and they have very badly let them down. It seems as though Ontario Hydro, in the initial instance, was put before the people of Ontario as something in trust to provide a service at a reasonable cost and to do that in the best interests of the people of Ontario.

I am sorry to say it has not continued that way. The fact of the matter is that as we talk of empires and empire-building, as the member for Rainy River (Mr. T. P. Reid) has spoken to, I would say Ontario Hydro epitomizes empire-building in its very extreme. They were given a mandate that is answerable to only the chairman and board of directors of Ontario Hydro. It goes no further. It is not answerable. This

memorandum that is before us does not change one iota the chairman's role and the board of directors of Ontario Hydro in having total control over Ontario Hydro.

The thing this bill would attempt to do has nothing to do with taking over Ontario Hydro, but in a more reasonable way having Ontario Hydro fit into the new order of things as it would relate to a modern government that would have an energy policy which would have some meaning to the people of Ontario.

Hydro itself has been excluded from very many meaningful things which would indicate that it does not compete on the same basis as even other areas and other ministries. For instance, Ontario Hydro did not have to suffer with what one might call environment in the environmental hearings in many instances. They were excluded from province-wide bargaining that industry accepted and thought was in the best interests of the worker, the construction companies and the people in that business.

The fact of the matter is that Ontario Hydro does not have to answer to the Ontario Energy Board. Ontario Hydro goes through the farce of appearing before the Ontario Energy Board, like other people who have energy to sell, but it does not have to live up to any kind of commitment or any kind of determination by the Ontario Energy Board.

I say they should save the time and the embarrassment of going, because they are not even obliged to give all of the documents that the Ontario Energy Board asked for at those hearings. The member for Oriole knows that and it has been one of those things we feel should be part of the responsibility of Ontario Hydro through the Minister of Energy.

The thing I wanted to talk about more specifically has to do with the contradictions that exist within Ontario Hydro that should not even be within its purview. It has to do with the things that are in direct contradiction to Ontario Hydro's overbuilding and attempting to sell more power. I would mention the fact that renewable energies, conservation, those things that have to do with public relations and reviewing its own capital programs, should not be left to Ontario Hydro's determination.

How, in all conscience, can we expect someone who is attempting to sell power to be in the conservation business? How can we expect someone who wants to sell electricity to be interested in alternative energy? Those are the sorts of things we feel should be taken from Ontario Hydro. Given its responsibility through

a meaningful direction from the Minister of Energy, that does not necessarily mean Ontario Hydro is going to be governed in any way by the Minister of Energy. Over the years, Ontario Hydro has taken a position it was never intended to have.

I will explain that by quoting from an interview with Mr. Hugh Macaulay. No doubt his replacement will feel the same way, because I imagine it is government policy. The question to Mr. Macaulay was: "Hydro appears to be a major instrument in the government's determination to stimulate the provincial economy. Can you comment on this?" Mr. Macaulay's answer was: "The Ontario government has called Hydro's power system a cornerstone of the provincial economy and said that continued vitality and development of that system is essential to sustaining Ontario's economic growth. That kind of thinking, coupled with a new awareness of the value of indigenous energy resources and the need to end our dependence on fossil fuels, has resulted in new approaches to planning at Ontario Hydro."

This is the part I am concerned about: "Instead of working merely to meet anticipated demand, we are now looking at a wider role for Ontario Hydro and considering the effects our large construction projects, our exports"—I emphasize the word "exports"—"our rates and, in fact, all our activities can have on the social, environmental and economic life of the province."

When it was first brought on stream, with Niagara's hydraulic project being the prime source at the time, I do not think it was ever envisioned that Ontario Hydro was to be given the latitude it has taken on itself through this huge bureaucracy. What could we expect, given the mandate it was given, with no control: "Do what you will, if you want to go nuclear, if you want to go thermal, if you want to do your thing"? Ontario Hydro has done it all.

I do not think that was ever the intention of the people who put Hydro in place. The comparison I made very early on related to a trust I think the people envisioned at the inception of Ontario Hydro—reasonable, cheap power for the users of Ontario. It was never envisioned that we would be talking about exporting power—more particularly, nuclear power—leaving the waste here in Ontario and sending the clean electricity to the United States. I do not think that was ever envisioned. I do not think it was ever envisioned that Ontario Hydro would become involved in all kinds of alternative energy schemes,

in all kinds of other determinations. I do not think that was in the original mandate.

If we keep expanding the mandate that was given to Ontario Hydro, it will continue to grow, it will continue to become further and further removed from the government and it will become more and more unanswerable to the people of Ontario whom it was meant to serve.

4:40 p.m.

Mr. Swart: Mr. Speaker, this resolution, as we know, contains two parts.

The Deputy Speaker: I might remind the honourable member that according to the time schedule you have seven minutes, not the allotted 10, before this resolution is terminated.

Mr. Kerrio: Is that still seven?

The Deputy Speaker: Yes it is. Sorry.

Mr. Swart: This resolution contains two parts. I support both of them, and I suspect that everybody on this side of the House does. The resolution calls for a legislative policy directive to be tabled by the government and proposes that a committee be appointed to examine in particular the expansion and other matters with regard to Ontario Hydro.

In fact, what this really proposes is only that the Legislature should have some hand in the general overall policy-making of Ontario Hydro; not in the details, but it should be involved, and the general policy-making should be debated in this Legislature and there should be input from all sides. It is just that simple, and therefore it seems to me a very reasonable resolution.

I come at this from three directions. First, I come at it from the direction of the exhaustive work that has been done by Donald MacDonald on Hydro over a great many years. The member for Oriole quoted Donald MacDonald as an expert. He quoted him, of course, out of context.

Anybody who has listened to Donald MacDonald speak, and even in the very article he talks about, knows very well that although he, like the rest of us on this side, supports the principle of the public operation of Hydro, we know it has been rather badly mismanaged. He has said that continuously and, of course, he took him out of context in what the member said.

Donald MacDonald has had over the years a better handle on this matter than even the minister or Hydro itself. If they had followed the suggestions of Donald MacDonald, it would not be in the mess it is in at the present time.

I come at this, too, from the direction of consumer prices. The unrealistic policy, the overexpansion, has cost and is costing the consumers of hydro in this province literally millions and millions of dollars needlessly. I come at it from the direction of the inequality to the rural customers, because this has been an issue for many years, and I suggest that if this resolution is passed and acted on—we know, of course, that it will not be—we would perhaps have the opportunity to get at these things.

The tremendous overexpansion of Ontario Hydro by itself—nothing else, leave everything else aside—dictates the need for the two measures that are proposed in this resolution. Ontario Hydro simply has shown exceedingly bad judgement and has exercised bad management in recent years. The government cannot get away from accepting some of the responsibility, because all of this expansion in the end had to be approved by it. I am not sure whether it was Hydro that told the cabinet to pass this—they are quite powerful—or whether they did it on their own, but they had the power to prevent this from happening.

I am not going to document at all this constant backing off, but we know that in 1976 the select committee, the Hydro committee at that time, said we had ample power well into the 1980s and we did not need to proceed with this. Hydro said, "No, we are going to be short of power." The government okayed all of these billion-dollar expansions of Ontario Hydro, and then continuously from then on it had to back off and postpone because it was finding out that what Donald MacDonald and the committee had said was correct, that we did not need all of these expansions to meet hydro consumption in this province, and those were overbuilt to the point, as members know, where there is a 49 per cent surplus.

They have now closed down two hydro stations. One is the Lennox generating station, and I am not sure whether that was justified or not on the basis of economics, but they have also closed down the Hearn generating station now.

So we have two of these plants that cost hundreds of millions of dollars to the Ontario taxpayers that are not being used. What a waste of the public's money.

I want to deal with the setting of prices in the just about two minutes that I have left. We know how the price is set now to the consumers of

hydro, whether the consumer be the hydroelectric commissions or whether it is the rural consumers who buy directly from Hydro.

The member for Niagara Falls (Mr. Kerrio) mentioned this. I have to say I fully agree that the Ontario Energy Board should be setting these prices on the same terms as it does on all other rates on energy. There is no question about that. Why should it be only a recommendation?

I have the figures here, which I do not intend to read, which show that by and large the recommendations have been followed through; not always, but over the years they have been followed and the recommendations have been accepted. If it is going to accept those recommendations, then why should it not be a decision? It has the power to appeal that to cabinet. Why should Ontario Hydro have the authority to set its own rates and to deviate from what the Ontario Energy Board decides?

Mr. Andrewes: It was below the recommendation this year.

Mr. Swart: Some were below and some were above, but why not have the Ontario Energy Board make the decision? The other problem in that, as the parliamentary assistant must know, is that the hearings that take place do not have the equality of input from the consumer side as well as from the Ontario Hydro side and, therefore, they are unfair. We need a public advocate to appear on behalf of the public at these hearings where they will make a final decision, and so there will be no overpricing to the consumers of this province.

The Deputy Speaker: At this time I will not recognize the member for Oshawa (Mr. Breaugh), but I will recognize the member for Halton-Burlington.

Mr. J. A. Reed: Mr. Speaker, as I wind up I would like to thank those who have entered into this debate this afternoon. I would like to thank even the member for Oriole for his theatrical presentation. It is not often that we are so well entertained by the member for Oriole, but this afternoon he outdid himself.

As a matter of fact, he probably presented to us one of the best arguments for reviving a legislative committee on Ontario Hydro affairs. He spoke glowingly of the accomplishments of that committee. He and I both have some close connection with what happened there. I should think the member would be supporting this resolution because it does call for the re-establishment of that committee.

I would like to comment on the remarks of the member for Port Arthur (Mr. Foulds) and his call for legislation placing control for rates in the hands of the government. I do not want to be critical of the member. He is supporting the resolution, but I should point out to him that the thrust of this resolution is on a broader basis. I really feel we should not necessarily support legislation and amendments that are ad hoc when it comes to such a broad base as Ontario Hydro. It may very well be that we would support an amendment on hydro rate control, but it should be done in the context of a broader debate.

The member for Oriole talked about the policy directive in terms of the memorandum of understanding which was signed on November 8 and tabled the day after the Legislature closed. I received it on my desk the day before yesterday. Really and truly, let me say this must be such an embarrassment to the government and to Ontario Hydro.

4:50 p.m.

I would point out a couple of things. He suggests this is a directive and he points out on page 7, "The Hydro board agrees to carry out its responsibilities in harmony with government policy." If the honourable member's support for this kind of statement is any indicator, then it is the greatest indictment of the government of Ontario, of his own government, we have ever had.

If the capital expansion program is in harmony with government policy, and he is suggesting it is and will continue to be, it is incomprehensible because the construction program is not in harmony with the need in Ontario and it has not been in harmony with the need since 1976. The first evidence that came to the select committee showed the growth was slowing down.

It was not until 1979 that Ontario Hydro began to recognize its econometric model but not believe it. It was only after that that it decided the \$5 million it had spent in building an econometric model to look at the projected growth rate was valid. Consequently, we went for a number of years committing billions of dollars to nongrowth. It was a most serious miscalculation. If the member is saying this is in harmony with government policy, then his government stands indicted for endorsing that miscalculation.

I see the way out on the previous page of this so-called directive, this memorandum, 4.1 on page 6: "The minister is not responsible." I would say one other thing. I do not want to enter

the nuclear debate, but those fellows are killing the nuclear industry by overbuilding it unnecessarily, because it will have no place to go when it finishes Darlington. They are going to burst the bubble and kill it.

We have one objective with this resolution. It is lower hydro rates in Ontario. We intend to pursue that when we form the government of Ontario after the next election. The people of Ontario can be sure that the Ontario Hydro program from then on will be responsible and in keeping with government policy.

COMPULSORY ARBITRATION SYSTEM

Mr. Runciman moved, seconded by Mr. MacQuarrie, resolution 38:

That this assembly, while acknowledging the world leadership role of the Ontario compulsory arbitration system, is cognizant of the need for continuing review to maintain that role and thus supports the initiation of a study, by a committee of this Legislature, to include, but not be limited to, the following: (i) the concept of a permanent panel of arbitrators vested with guaranteed tenure; and (ii) the establishment of a set of guidelines for arbitrators which would require that arbitration awards be confined to evidence adduced at an arbitration hearing and that such evidence must include an assessment of the economic conditions of the regions that will be affected by their rulings.

Mr. Runciman: Mr. Speaker, as most members are aware, over a considerable number of years there has been significant criticism of the arbitration process in Ontario.

The lion's share of that criticism has originated with the Association of Municipalities of Ontario, but other bodies involved in the process, such as the Ontario Nursing Homes Association, the Municipal Police Authorities and the Ontario Hospital Association have also registered concerns.

I should add that arbitrators such as Martin Teplitsky and Paul J. J. Cavalluzzo have also supported the need for review. I apologize to Hansard for that.

We have heard some public comments recently, one in Halifax at the Premiers' convention and two others at the AMO convention in Toronto, which I am going to quote. In Halifax, the Premier (Mr. Davis) called for a review of the arbitration system, as to its role in perpetuating the inflation cycle.

The mayor of St. Catharines complained that out-of-touch arbitrators have been awarding pay increases of 30 per cent in communities

where many private sector employees are being laid off. The director of personnel for the city of Waterloo said: "Awards for police are compared with other police awards, fire with other fire departments and hospital workers with other hospitals. Yet the arbitration system operates in a complete vacuum, divorced from all financial realities." As I said, these comments were made prior to the introduction of Bill 179.

On the other side of the fence, in the past few months I have been contacted by the Ontario Professional Fire Fighters Association and the Municipal Police Authorities expressing their concerns regarding any possible changes to the present system.

The implied and expressed contentment of these groups with the system is in stark contrast to the widespread dissatisfaction apparent within the organizations bargaining with these groups. That almost complete satisfaction versus almost complete dissatisfaction has to raise doubts, in my view, as to just how fairly and equitably the process is working.

Dealing with some specific concerns, I would first mention the problem of choosing an arbitrator. I will use the Hospital Labour Disputes Arbitration Act as an example. Under the present system, the Minister of Labour (Mr. Ramsay) is responsible for appointing the chairman of the arbitration board. Both parties appoint nominees, who sit with the chairman to assist in his or her deliberations.

The minister looks to the parties for consensus in the area of choice of an arbitrator. Unfortunately, a consensus is almost never achieved. Instead, the parties exchange lists of their employee and employer favourites, each side rejects the other's lists and ultimately, after considerable delay, they turn to the minister, who appoints an arbitrator.

Arbitrators themselves are keenly aware of this process and consequently recognize their frequency of employment depends, at least in part, upon remaining in the good graces of both labour and management. As a result, there is some motivation on the part of arbitrators, however judicious, to mediate in terms of results between the parties rather than to apply sound or consistent economic evidence, principles and guidelines.

An arbitrator is charged with accomplishing an equation of result with what might have been anticipated in the private sector. His or her ability to do so is hampered by the history and precedent of bargaining and other arbitration awards between the parties. The further the

parties are removed in time from the private sector and free collective negotiation, the greater the likelihood exists of skewing the relationship and fracturing the equation being sought.

Some arbitrators seem to take it as given that the employees who are deprived through the compulsory arbitration process of the right to strike, are entitled to compensation for that loss of bargaining power. While in certain economic times there is merit to that approach, it neglects the countervailing right that is lost to employers, namely the right to lock out.

In times of high unemployment, there is a tipping of the balance of strength in favour of the right to lock out vis-à-vis the right to strike. It is nonsensical to attempt to compensate for loss of the right to strike.

Also, there is a vast fluctuation at any given time between awards from arbitrator to arbitrator. While a certain amount of differentiation is inevitable, it is desirable that the distance between the poles or extremes be narrowed.

While certain factors will always weigh in favour of a given employer or employee group more heavily than another, the fundamental guidelines applying in the arbitration process ought not to vary from one arbitration to the next.

For this reason, it would also be desirable that a permanent panel of arbitrators were selected. It would operate on a full-time basis, thereby reducing the number of arbitrators and militating towards greater consistency of decision-making.

5 p.m.

While undoubtedly a permanent panel of arbitrators would develop its own guidelines for decision-making over time, it would be desirable that compulsory arbitration results equate with the reality of the private sector. If this goal is to be realized, then reference should first be made to average wage increases in that area.

To date, arbitrators have consistently relied too heavily upon comparables in the compulsory arbitration setting. Such comparisons are part official and, it goes without saying, wholly unrelated to equating results to the private sector. This is one explanation for the fact that public sector wage increases during early 1982 outstripped the increases in the private sector. Such a situation is untenable over a prolonged period of time and is undesirable for any period of time.

In a recent article in the *Ottawa Citizen*, columnist Wendy Warburton quoted a Ministry of Labour spokesman as saying "that the arbi-

tration process is being reviewed by a special internal committee and that the ministry objects to a public study, saying the internal one is adequate."

My resolution, of course, proposes that the arbitration system be reviewed by a committee of this Legislature. I must admit that at the outset of this venture I was unaware of the complexities of the process and how involved such a review might be. I suspect the appropriate forum for such a review would be a select committee of the House rather than a standing committee, but I do feel quite strongly that the system should be looked at in depth by the elected members of this assembly. It should not be left solely to the faceless bureaucrats.

I do not believe that the criticism one hears and reads about is a condemnation of interest arbitration per se but a cry for a public review. Such a review could serve the twin purposes of reiterating this arbitration process in the public mind, while at the same time learning about the need for change and the direction that change should take. I have difficulty understanding the Minister of Labour's objections, because this is simply taking the case to the people. If we, as elected members, are to be bypassed in this process, should the participation of affected parties and other knowledgeable and interested citizens also be ignored?

In the 22 months I have been a member I have frequently heard concerns expressed about the relevance of this assembly and individual members. Endorsement of my resolution is a step in the direction of ensuring that we, as elected representatives, do play an important role in the governmental process and are not simply rubber-stamp artists for the bureaucracy.

Lest it be construed that this resolution is an attempt to freeze wages and salaries—as I believe the member for Hamilton East (Mr. Mackenzie) suggested, according to that Warburton column—nothing could be more removed from the truth. I think and hope that my labour background should preclude any such thoughts.

I do not believe this resolution should be condemned out of hand by our friends in the New Democratic Party. They are publicly on record as being opposed to binding arbitration. If a new system could be devised to work to the better interest of all parties concerned, would they be opposed to a system that could contribute to labour peace and happier relations? I believe a review at this time, while we have the

breathing space created by Bill 179, could take us along the road to that objective.

Questions have been raised that the ability to pay should not be a consideration in the arbitration process. I cannot believe that in this day and age anyone, certainly not a political party, can subscribe to such a position. Where is the basis in reality in attempting to get blood from a stone unless one has a supreme being as leader?

I happen to believe that any review of this process should involve all those affected. I feel they should meet in open forum, with the right for all to make a contribution to any decision or decisions that may be made in regard to change. We do not want change just for the sake of change but change that will result in solutions that will attempt to address everyone's concerns.

I will close with a biblical thought that should guide the arbitration process: "Do unto others that which you would want them to do unto you."

The Deputy Speaker: I would remind you that you have 10 minutes' time remaining. You still require two minutes. Could staff work that into the timing? He requests two minutes.

I might also bring to the attention of all honourable members that we are having trouble with the heat again, I believe. The suggestion is we could try to turn on the electric fan. Shall we try that? If it gets too noisy, we will turn it off.

Mr. Wrye: Mr. Speaker, this is a veritable heat wave compared to what we had to put up with in room 228 yesterday. So I really have no problem. I am ready to consider that I am almost down in the sunny south.

I rise to indicate in my few remarks that I shall not support this resolution. I believe it takes what may be a minimal problem and overkills it. It seems to me this resolution seeks to turn the balance of the interest arbitration process against one side. It would move to set up a full, permanent panel of arbitrators when the evidence is that that would be a major setback for the arbitration process.

What is the objective of the resolution? Its purpose is apparently twofold. First, it is to establish a legislative committee—and the member for Leeds (Mr. Runciman) has suggested it would be a select committee—to study the compulsory arbitration system. According to the member, the system is faulty and calls for correction. Therefore the second purpose of his resolution is to set in motion the modification of the system.

I wonder whether the issue is such that it merits the striking of a committee to study the

matter. For example, where in the list of priorities of the Ministry of Labour would such a study fall? If there is a problem with the system, does it require the creation of a committee to resolve it?

I was interested to hear, as I am sure the member was, the comments of the Minister of Labour, who said the arbitration processes were currently under study by a special internal committee. He said: "I do not think it is timely right now, with the right to arbitrate being restrained, to have this done in a public forum."

He suggested the internal study was an adequate one and I would certainly agree. If the ministry wishes to review the arbitration system as it reviews other aspects of labour matters from time to time, then I think that should be adequate.

Also, we might consider some of the other issues that might be looked at in the field of labour and ask ourselves whether they are not more important to a large variety of people than this one. I can point, for example, to issues related to the very disgraceful situation of women in our working force; the upgrading of the Employment Standards Act; employment adjustment with the advent of microtechnology in Ontario; the social and economic implications of mandatory retirement; the protection of the rights of workers to organize; first contract bargaining and labour practices by the employer; strikebreaking; industrial espionage and sabotage. It seems to me these subjects are at least as worthy, and in most cases more worthy, of a review by a select committee.

The apparent justification for a review of this system is based upon the inflationary impact of public sector awards. I found it noteworthy the member did not offer any statistics—not one. There was not one statistic in his resolution other than a comment from the mayor of St. Catharines, that great progressive mayor, to the effect that there was a settlement somewhere in a nursing home, somewhere in Ontario, that was 30 per cent and it seemed to him it was high.

I wonder, in the absence of that, whether there are any statistics indicating precisely where the balance has been in arbitrated settlements as opposed to those settlements that have not gone to compulsory arbitration. In addition, what proportion of awards is settled by compulsory arbitration as opposed to full concurrence awards? The actual number of awards concluded by compulsory arbitration may be fairly small in relation to awards concluded by

other means. If this is the case, the system cannot be faulted as the cause of the problem.

I notice that in the Warburton column, Martin Teplitsky, whom the member referred to, indicated he supports a review but for different reasons. In commenting on the inflationary aspect of arbitration awards, he said: "I suspect that an independent review may disclose that the responsibility for inflation cannot be laid at the door of compulsory binding arbitration. If our awards are inflationary it is ordinarily because the freely negotiated settlements both in the private and public sector are inflationary."

5:10 p.m.

The member has suggested in his remarks that the balance began to tip in the early part of 1982. He may be able to trot out a few statistics that will show that did indeed happen over a couple of quarters. It seems to me we have put a system in place that the member has praised. If there is small tipping of the balance at what is undoubtedly one of the most difficult economic times for this province, that is no reason to start throwing out the whole system. I will suggest some other solutions as my remarks continue.

In most cases compulsory arbitration applies to situations where the right to strike has already been removed—police and firemen, hospital workers and so on. I wonder what kind of signal is being sent to workers by this resolution. In that regard, I will read a letter that was sent to the honourable member by the police association in the city of Brockville. If I could read it, I think this would bring to the member's attention the kind of concern this kind of resolution would cause, if it was carried by this Legislature.

"Dear Mr. Runciman: I read with grave concern an article in the Recorder and Times on October 6 of last year in which you are proposing changes to our current arbitration system. As members of the public service we are denied the right to strike; therefore, I am sure you can understand our deep interest in this matter since binding arbitration is our only recourse should negotiations fail.

"At an arbitration hearing, both parties concerned have an opportunity to present their demands, views and opinions. Hopefully, all of these can be supported by hard facts and evidence. In this regard the municipalities have always had the opportunity to refer to local economic conditions and other matters that they feel may be relevant. The arbitrator must then weigh the facts presented, and only those facts, and reach a fair and impartial decision. If

the city does not include this pertinent information in its brief to the arbitrator he cannot take it into consideration in the first place.

"All things being considered, if both parties approached negotiations in a serious manner with the intention of negotiating in good faith, then I suppose we could do away with arbitrators entirely. Unfortunately this is not always the case and our only recourse is to the arbitration system." Even before the resolution is debated we have here the first of many expressions of concern from those working men and women who would be affected by the arbitration process.

I want to deal very briefly with one aspect of this resolution that calls for a permanent panel of arbitrators vested with guaranteed tenure. I am drawn by the debate before the Association of Municipalities of Ontario and by the remarks during that debate of Kenneth Swan, who is a professor at Queen's University. I had the opportunity to listen to him at Lake Couchiching last weekend. It is too bad my friend from Leeds was not also there to hear Mr. Swan.

I think that he points out that it would be very simple for arbitrators such as himself to agree with such a proposal. But he suggests there are a number of reasons for that, and I will not go into all of them. He says, first, that "Experience demonstrates that the 'half-life' of permanent arbitration tribunals is about two to three years. The parties are far too quick to identify the tribunals as the cause for all their woes and to become very quickly disenchanted with the tribunal and, therefore, unprepared to accept its notional authority."

He raises the possibility of having a permanent panel. In addition, he suggests some arbitrators realize the only way to go is to come down with a very unpopular decision. Now they can be removed from the process until such time as I suppose one side or the other can forget.

There were many other remarks I wanted to make on this resolution but I am sure my friends will do so. In conclusion, it seems to me this resolution proposes a solution to a problem the nature of which is undefined. This is at the heart of my nonsupport for this resolution. It seems to me that in this resolution the member approaches the problem as if he already knew the answer.

Mr. Mackenzie: Mr. Speaker, I rise on behalf of my party to oppose the resolution that is before us. The member for Leeds should not be surprised at this position. If he had been attempting to get a fair review of the arbitration

procedures he would not have submitted the resolution he did.

I wonder about it on two counts: the timing of it, considering what we have just gone through on Bill 179, and also the rumours about tightening up the arbitration procedures in Ontario. I have reservations about the first part of the resolution—the concept of a permanent panel of arbitrators with vested tenure—but not nearly the reservations I have about the second part. This is why I say that if he were really looking for a fair review, we would not have this resolution before us, because it is certainly restrictive and is certainly going to affect workers very directly.

I really wonder if the honourable member does understand that arbitration is a right won, particularly in the public sector, at a considerable cost. Before 1944, as the member should know, any union that went on strike during the life of a contract risked being prosecuted under common law or under the Combines Act. Labour arbitration in Canada can really be traced to the turn of the century when a few unions such as the garment industry union in Hamilton were able to negotiate the provisions in their agreements. That is where it really started.

The system was carved in stone in Canada in 1944 by a federal government order in council meant at the time to ensure no work disruptions during the war years. In 1950 the Ontario government passed the Ontario Labour Relations Act which formally recognized unions and established an arbitration system. At the same time unions could not legally strike during the life of a contract.

In other words, workers have already sacrificed rights in return for which they have achieved compulsory arbitration. Sure, we in this party have some serious reservations about that, but we also understand that this is the route some of our unions want to go whether or not I particularly like it, and also it is the route they have to go as a result of this government.

I think it is important that members of this House understand that we have gone through studies of the arbitration procedures already. A few comments are appropriate from a brief that was submitted by the Ontario Federation of Labour to the industrial commission of inquiry into the grievance arbitration system under the Labour Relations Act. I am referring to 1977 in Ontario. It is useful to recognize a couple of the comments that were made in this brief by the federation.

As an aside, the member, apart from the

submissions I think he said he had from the firemen's and the police associations, sure as blazes did not go very far afield. If he had he would have found out about some of the reaction from the public sector unions, the industrial unions or their major bodies, the federation or the Canadian Labour Congress. They certainly do not have much use for this resolution of his that is now on the Order Paper.

I am quoting from the Ontario Federation of Labour brief: "The handling of a worker's grievance on the job is possibly the single most important function of trade unions between contract negotiations. Management's rights have traditionally been sustained by the law of property; the rights of workers have been made subservient to them. That is why a collective agreement is the Magna Carta of the work place. It regulates the terms of the relationship between worker and employer. Any violation of the agreement that is not settled by mutual agreement is determined by the unilateral decision of management unless the union has reserved the rights of its members to strike if it cannot agree with management.

"The reservation of the right to strike during the term of the contract is prohibited in this province, and thus any management action which deprives a worker of a benefit of the protection of the agreement, such as . . ." and there are any number of things that could be affected, "until arbitration confirms it, modifies or reverses management action."

We simply have to have that kind of protection for workers, and this is all the more reason why unions have insisted that if arbitration is to take the place of strikes and walkouts in mid-term, it has to provide for certain, prompt settling of disputes.

5:20 p.m.

The area of concern there is how we achieve a proper cost in arbitration cases and an early settlement of disputes. It is one of the few things I give the Ministry of Labour a lot of credit for in the stepped-up mediation efforts we have seen in this House. There are a number of other things that probably could be done through the internal review going on by the Ministry of Labour.

One of the things that concerns me with this resolution by the member is that we could see more of this and not less; I am talking now about court proceedings. But arbitration was also meant to avoid the alternative of going through the slow, costly and complex proceedings of the courts.

The Ontario Federation of Labour points out the things we were trying to achieve with the arbitration process in Ontario. They were as follows.

"Unlike a judge, the arbitrator would not have to follow a rigid set of legal rules developed over a long period of time. He could rely upon his own opinion, case by case, in rendering an award." The restrictions on the rules which are suggested in part (ii) of the member's resolution scare the heck out of me.

"Time and expense could be saved. Except for the arbitrator's fee, there would be no counsel fees, filing fees, transcript fees and so on. Laymen could participate fully in the process. Representatives of either party need not be lawyers and might well have firsthand knowledge of the circumstances out of which the grievance arose.

"Proceedings could be carried on without resort to hard-to-understand legal language. Choice of an arbitrator would not be restricted to members of the bench. Privacy of hearings may very well be desirable in the stages of a hearing. Finally, arbitration could provide the parties with the guidance impossible to obtain in a court of law that would help them to administer the collective agreement from day to day without recourse to outside adjudication."

I have not read in detail all the points they made in outlining what they were expecting of it. After they pointed out what were its strengths, they did go on to some of the deficiencies of the system. But none of them were covered, I might say, by a further restriction or a hard set of rules on workers.

I am not sure just what the real purpose of this kite-flying resolution is, but forgive me if I am concerned over its potential use to further restrict the rights of workers. I am cynical enough to suspect that a clear intention is to kick it in at the end of the current workers' wage control legislation in Ontario and prevent any efforts by workers to catch up or to obtain parity with other workers in the province, because it certainly could be used that way.

One might even wonder out loud whether this was not part of the Premier's own revenge for the arbitration awards of the Peel teachers and the University of Toronto faculty staff. That was undoubtedly one of the reasons that caused him to come down on the side of the restrictive legislation we got in Bill 179.

Regardless of the real purpose, let me raise some real concerns that all members should have and should take into consideration before

supporting this resolution. It smacks of industrial relations courts and state control that is a feature of bargaining in many of the Third World countries, a feature we do not want here.

Tories, of all people, should be concerned about this kind of approach. Surely the open and more innovative approach we try to, but do not always, achieve in Canada, but which we see in the Scandinavian countries, is a much better one. All matters can be submitted to arbitration; there is a much broader interpretation of the issues and consideration of all the factors on a much broader base. That seems to me to be conducive to a heck of a lot better industrial relations than setting a set of firm restrictions on the things an arbitrator can deal with.

With the restricted terms of reference we will be involved in and the arguments over what does come under those restricted terms of reference in arbitration cases, I suggest there is little doubt that we will further remove the parties' direct involvement and ability to handle their own grievances as we set these restrictions in place. I think that will lead to even more involvement of disputes over what can be covered in the courts. It may benefit the legal community but certainly not the workers of Ontario.

It is also interesting to speculate how this further extension of control over the workers' rights to bargain in Ontario will square with an unwillingness of this government to initiate controls on doctors, lawyers, profits or prices, or with how this government can argue for province-wide bargaining for construction workers, as it does vehemently, while going exactly the reverse and more restrictive route by putting restrictions on the arbitration procedure for public sector and other workers.

I suggest to the members, and I do it with respect to the member who put this resolution on the Order Paper, that this bill is dangerous. It does not have the support of the working community and is going to be seen as yet one further step against the workers in the province. It is dangerous and restrictive of their rights; it should be opposed in this House, and we should proceed first with a look through the internal committee of the Ministry of Labour.

Mr. MacQuarrie: Mr. Speaker, I would like to make a few remarks in support of the resolution presented by my colleague the member for Leeds (Mr. Runciman), particularly in so far as the need for study is concerned.

The issue of interest arbitration or compulsory arbitration of collective agreements is one

with which I think every member of this Legislature should have some familiarity, because it can involve constituents in every one of our constituencies. It is of particular interest to those of us who have had some municipal experience, who have seen difficulties with arbitration awards and who sometimes wonder where arbitrators are coming from.

Interest arbitration is the final step used to arrive at a contract where the right to strike has not been given to a particular group of employees. Through various statutes, interest arbitration in Ontario extends to policemen, hospital workers, firemen and crown employees.

As a result, a substantial number of employees are subject to legislation which can result in compulsory arbitration. It is safe to say, however, that a very small percentage of these employees are ever subject to compulsory arbitration itself.

In 1978, a total of 2,848 collective agreements were negotiated covering more than 581,000 employees. Only three per cent of these agreements were reached through binding arbitration. In 1979, the figure was five per cent of a total of 3,309 agreements. Nevertheless, even these small percentages represent thousands of employees, and constructive suggestions with respect to improving the process might well make it work even better.

Interest arbitration in Ontario is still comparatively young when compared with other aspects in the history of labour relations. We should not presume for a moment that we have an ideal system. The key questions are: Is the present arbitration process deficient? If so, are there ways in which the arbitration process can be improved?

The present system allegedly suffers from a number of deficiencies. There is a certain lack of uniformity as between the statutes. In the Police Act we have a single arbitrator. With The Fire Departments Act, we end up with three arbitrators. A second deficiency that has been brought forward from time to time is sort of a lack of meaningful collective bargaining as between the parties.

When a fire department knows there are no intermediate steps, no intermediate provision with respect to compulsory mediation, it and the municipality—both; I am excusing neither—take very guarded positions. They end up in Mexican standoffs, with the result being that they end up with arbitration and that the potential settlement is bypassed along the way. Some intermediate step, such as compulsory

conciliation, might well tend to overcome this obvious weakness.

5:30 p.m.

Another complaint raised from time to time is that there is a lack of trained arbitrators, that they are not politically accountable and that their decisions sometimes overlook regional economic conditions and introduce very gratuitous elements into awards, all of which can have a tremendous impact on the level of taxes, services and expenditures.

While I am talking of interest awards here as opposed to rights awards, a situation comes to mind where a group of disabled dispatchers was hired by a municipality to man the dispatch booths during the International Year of the Disabled. Because an arbitrator had gratuitously inserted a condition in the collective agreement that the municipality was prohibited from hiring out, the municipality was compelled to dismiss the employees it had hired.

The main problem that has been raised, and the most serious deficiency of all, is that the arbitration and the arbitrators in police and fire department arbitrations do not have a clear set of guidelines or criteria to follow and consequently proceed on a more or less ad hoc basis. Although compulsory arbitration has its deficiencies, it is conceded that it has provided employees with a certain amount of protection and has certainly compensated them for the loss of the right to strike.

I feel confident that most employee groups subject to compulsory arbitration, despite their public stances, would not be happy to lose it. Statistics show that arbitration awards for firefighters in 1981 actually were higher than those reached in freely negotiated settlements, a distinction of approximately 14.53 per cent as opposed to 12.98 per cent. In the first instance there were 12 settlements and in the second instance there were 56 settlements.

A number of suggestions have been forwarded with respect to improvements in the process. One of them is in the Association of Municipalities of Ontario Reports 40, entitled Compulsory and Binding Arbitration, which I would commend to the members. I am confident that most members are in possession of copies but, none the less, I commend it very strongly to their attention.

As I have mentioned, deficiencies have been noted and problems have been experienced with the compulsory arbitration process. A number of suggestions have been put forward concerning improvements on the way the arbi-

tration awards are reached, and I would like to see a number of them acted on.

One is the establishment of guidelines or criteria under which arbitrators can act. This, in itself, would introduce an element of consistency into the arbitrators' decisions. Although arbitration is held out as an adjudicative process, where legal rules or criteria are applied to evidence, instead it is rather an ad hoc sort of approach, with both sides providing masses of almost inconsistent evidence.

Of particular interest to me is the first recommendation of the AMO report, which is "that compulsory conciliation, mediation, or other nonbinding intervention be employed before continuing to binding arbitration." Conciliation has been introduced with respect to the police forces, under amendments to the Police Act, and has worked extremely well there. With respect to fire departments, it would tend to make for more meaningful bargaining assessments and would avoid the Mexican standoffs.

I have a lot more to say on this, Mr. Speaker, but my time has run out.

The Acting Speaker: The member for Essex South.

[Applause]

Mr. Mancini: I really appreciate the applause from my colleagues, Mr. Speaker, as I rise to join the debate on resolution 38, introduced by the member for Leeds (Mr. Runciman).

The honourable member wishes the Legislature to make some changes in the arbitration system that we have in Ontario. He starts off his resolution by saying that Ontario has been in the forefront of arbitration, and he even goes so far as to say that we are world leaders as far as the arbitration system is concerned. If indeed we are world leaders in the arbitration system, I wonder why the member wishes to tear the same system down. On the one hand he talks about how great it is, and on the other hand he wants to make so many changes that the two will not be the same.

I am quite interested in his recommendation concerning the appointment of a select committee to study this problem. Of course, while all of us would want to serve on such a prestigious and important select committee, which I am sure would have the opportunity to travel worldwide to look at other jurisdictions and see how other arbitration processes work, this might not be in the best interests of labour and industrial relations across the province.

I would like to say something about his

recommendation, though, concerning the establishment of a select committee. During these past two years I have regrettably come to the conclusion that whenever such a committee is established—or even, for example, in the standing committees—we do not get a full view of what the Legislature wants. We get the imposed view of what the government party members want, and we see this on a day-by-day basis.

The member's select committee to look into this matter, which he perceives and believes to have problems, is not going to solve anything because of the views we put forward. It will solve it to his satisfaction by the government's dominance in the House. It will be the government's dominance in the House that will resolve the problems that the member perceives here.

I want to make a comment concerning the second part of the resolution, which calls for the establishment of a set of guidelines for arbitrators to follow. While it is true that there are no legislated lists of considerations to which an arbitrator must apply his or her mind when arriving at a decision, I would ask the member whether it is even desirable that these guidelines should be imposed from above.

Arbitrators conduct themselves, theoretically, in accordance with the principles of administrative law and the procedural precedents of common law. To the extent that they stray, usually guidelines of sorts are imposed by the appellate courts. This is how it should be. There must be an initial presumption of bona fides and competence on the part of the arbitrators, one which warrants faith in their discretion.

5:40 p.m.

The honourable member further states in his resolution that the "awards be confined to evidence adduced at an arbitration hearing." The member must know that the awards require that this evidence be produced at these hearings. Indeed, there is the Judicial Review Procedure Act, which authorizes an appeal from an award which is based on evidence not adduced during the hearing. That is the way it is.

Those, along with the question of economic conditions that he wishes to impose on the arbitration system, appear to be the main issues. As far as economic conditions are concerned, one will never be able to find a community, organization or any employer who will say voluntarily, "Yes, I can pay and afford more." That is just never going to happen. The member will never be able to show that to this Legislature or be able to point to a municipality—and most municipalities go through this arbitration

process for some of their employees—which willingly says, “Yes, we can pay more,” and they start from that basis.

When we talk about the economic evidence, it is up to professional people such as the arbitrators, who are skilled in these matters, who are familiar with the economic conditions of the province and who are familiar with labour relations, to make these determinations.

I have gone through the member's list of objections to the present arbitration process. The first is that there should be guidelines, and we can see that there are already guidelines to some extent. The second is that evidence should be adduced at hearings, and we already know that evidence is produced at hearings and judgement is made on that evidence. The third concerns economic consideration, and we are very well aware of the fact that economic consideration is taken into consideration before arbitrators make their rulings.

Therefore, I have come to the conclusion that the member really does not have a beef or a concern with the present arbitration system. Possibly, he has some concerns with awards he has perceived to be too high in some areas; perhaps even in his own constituency where groups have gone through the arbitration process.

Mr. Bradley: The new mayor will fix that.

Mr. Mancini: Yes, I am sure the new mayor will take care of that.

Probably he is concerned about that, and his excessive reaction to some of these awards that he is not in favour of has led him to introduce a resolution that would tear down the present arbitration system. That is exactly the fundamental issue of the problem as the member for Leeds sees it.

Mr. Speaker: One minute.

Mr. Mancini: I appreciate that he has listened intently. I will conclude, Mr. Speaker, now that you have informed me I have very little time left. What would the member replace the arbitration system with after he strangled it with this type of resolution? He does not want to give those workers the right to strike. He does not want to have policemen, firemen and people in that type of employment leave the general public vulnerable. He wants them to perform their duties in the most professional way, yet at the same time he does not want them to have any leverage at all while they are bargaining. I have to conclude by saying that he does not even want the views of a third party.

Mr. Speaker: The member for Riverdale has two minutes.

Mr. Renwick: Two minutes will be ample.

Mr. Speaker, I can well understand why the member for Leeds brought this resolution before the assembly: because of the words to which he referred, which the Premier (Mr. Davis) used when he spoke at the premiers' conference on August 26, 1982, when he raised up front and centre the problem, as he saw it, of arbitration awards in the public sector system. I would say to the member for Leeds and the member for Carleton East (Mr. MacQuarrie) that the very fact there is dissatisfaction on one side and some satisfaction on the other is not a reason for trying to find some other solution to the problem.

The system in fact is working very well, and for the member to interfere with the process of interest-dispute arbitration in the industrial relations system of this province means basically that he wants to intrude the government, through some kind of quasi-judicial system, into the industrial relations system in the public sector so that the politicians who are elected can divorce themselves from their responsibilities with respect to effective settlements of disputes in those areas where people are entitled to adequate wages.

It is very interesting that we are now having a discussion in this society that it is not the question of the adequacy of a dignified life for working people that is to be the criterion, it is going to be the question of national policies that is going to be the criterion. Economic policies are going to be added as a criterion.

It is disguised in many ways. The member for Carleton East referred to its being a young system, and pretty soon someone will say it is a homespun idea for anyone to think a working man should be entitled to proper wages in this society. If we analyse the compulsory arbitration system, we will find that we are trying to solve problems that cannot be solved at the expense of working people.

Mr. Runciman: Mr. Speaker, I am not going to try to respond to all the comments, especially those of the member for Essex South (Mr. Mancini), who was rambling on and apparently coming up with some ideas about my motivation in this. Obviously he has been having visions. He is apparently a Mackenzie King Liberal.

The member for Hamilton East (Mr. MacKenzie) questioned the timing and something related to Bill 179. I assure him it is purely accidental. There are no terrible motives behind this. The reasoning behind this is primarily

based on my experience as a municipal councillor, and these concerns have been raised for a great number of years by municipal councils across this province.

My exposure to the arbitration process has been primarily through grievance arbitration, and if I had anything to do over again I would strike the section of the resolution dealing with anything after establishing a committee of the Legislature, because the other sections are red herrings and they simply suggest areas that should be looked at by a committee. These are concerns that have been expressed by many municipal councils across this province. I am not endorsing them; I am not suggesting that is the way to go. I am simply saying those are two areas that should be looked at.

5:50 p.m.

The member for Hamilton East suggested I do not have the support of the working community. The member for Windsor-Sandwich (Mr. Wrye) indicated a letter from the police association, but after I contacted them and explained the intent of this resolution, what we are attempting to do, which is to take a public look at the situation, they registered no concerns or objections about that at all.

I am really disappointed that at least three members opposite supported the idea of the bureaucracy looking at this and not a committee of this House. That is extremely disappointing.

In my opening remarks, I mentioned that endorsement of my resolution is a step in the direction of ensuring that as elected representatives we do play an important role in the governmental processes and I strongly believe that.

Mr. Speaker: The member's time has expired.

Mr. Runciman: Let us not let the opportunity slip by.

5:57 p.m.

ONTARIO HYDRO

The House divided on Mr. J. A. Reed's motion of resolution 40, which was negatived on the following vote:

Ayes

Allen, Bradley, Breithaupt, Bryden, Charlton, Conway, Cooke, Copps, Cunningham, Di Santo, Edighoffer, Epp, Grande, Kerrio;

Mackenzie, Mancini, Martel, McClellan, McGuigan, McKessock, Miller, G. I., Newman, Philip, Rae, Reed, J. A.; Renwick, Ruprecht, Stokes, Swart, Sweeney, Worton, Wrye.

Nays

Andrewes, Ashe, Baetz, Barlow, Brandt, Cousens, Cureatz, Dean, Eaton, Eves, Gillies, Gordon, Gregory, Havrot, Henderson;

Hodgson, Johnson, J. M., Kennedy, Kerr, Kolyn, Lane, Leluk, MacQuarrie, McCaffrey, McCague, McLean, McNeil, Miller, F. S., Mitchell, Norton, Piché, Pollock, Pope, Robinson, Runciman;

Scrivener, Sheppard, Shymko, Snow, Sterling, Stevenson, K. R., Treleaven, Villeneuve, Watson, Wells, Williams.

Ayes 32; nays 46.

6 p.m.

COMPULSORY ARBITRATION SYSTEM

The House divided on Mr. Runciman's motion of resolution 38, which was agreed to on the following vote:

Ayes

Andrewes, Ashe, Baetz, Barlow, Breithaupt, Cousens, Cunningham, Cureatz, Dean, Eaton, Edighoffer, Epp, Eves, Gregory, Havrot, Henderson, Hodgson, Johnson, J. M., Kerr, Kerrio, Kolyn, Lane, Leluk;

MacQuarrie, McCaffrey, McKessock, McLean, McNeil, Miller, F. S., Miller, G. I., Mitchell, Norton, Piché, Pollock, Pope, Reed, J.A., Robinson, Runciman, Scrivener, Sheppard, Snow, Sterling, Stevenson, K. R., Sweeney, Treleaven, Villeneuve, Watson, Williams.

Nays

Allen, Bradley, Brandt, Bryden, Charlton, Conway, Cooke, Copps, Di Santo, Gillies, Gordon, Grande, Kennedy, Mackenzie, Mancini, Martel, McCague, McClellan, McGuigan, Newman, Philip, Rae, Renwick, Ruprecht, Shymko, Stokes, Swart, Wells, Worton, Wrye.

Ayes 48; nays 30.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, I would like to outline the business of the House for tonight and next week. Tonight we will deal with concurrence in supply for the Ministry of Consumer and Commercial Relations.

On Friday, tomorrow morning, we will deal with concurrence in supply for the Provincial Secretariat for Social Development and for the Ministry of Education.

On Monday afternoon, we will deal with the supplementary estimates of Treasury, followed in the afternoon and evening by concurrences in supply for the Provincial Secretariat for Justice,

and ministries of the Solicitor General, Attorney General and Transportation and Communications.

On Tuesday, January 25, in the afternoon and evening, we will deal with legislation, beginning with any private members' bills on the Order Paper, followed by third readings of Bills 159 and 194, second reading and committee of the whole, if required, of Bill 193, and second reading and committee of the whole, if required, on Bills 178, 177, 7, 139, 183, 203 and 197.

On Wednesday, January 26, the usual three committees, justice, general government and resources development, may meet in the morning.

On Thursday, January 27, in the afternoon,

we will have ballot items standing in the names of the member for Essex North (Mr. Ruston) and the member for Algoma-Manitoulin (Mr. Lane). In the evening, we will continue with concurrences not completed on Monday, followed by concurrences for the ministries of Education and Energy, continuing on Friday morning with the Ministry of Education if it is not completed.

On Friday, January 28, we will continue with any concurrences that were left over from Thursday night.

The House recessed at 6:07 p.m.

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No. 187

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Thursday, January 20, 1983

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Information Services Branch, Ministry of Government Services, 5th Floor, 880 Bay Street, Toronto, M7A 1N8. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Thursday, January 20, 1983

The House resumed at 8 p.m.

CONCURRENCE IN SUPPLY, MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS

Hon. Mr. Gregory: Mr. Speaker, according to the orders of the day it was agreed with the House leaders that there would be an allocation of time among the parties. That allocation called for a reservation of 20 minutes for the minister at the end and the remaining time of one hour and five minutes to be divided between the opposition parties.

The Deputy Speaker: Is that agreed to?

Hon. Mr. Gregory: Apiece.

The Deputy Speaker: Apiece? Dealing, then, with the concurrences of the Ministry of Consumer and Commercial Relations, is it the pleasure of this House that—

It is not the pleasure of the House.

Mr. Breithaupt: I think, Mr. Speaker, there may well be some remarks on this concurrence.

We have had the opportunity over this last week to have a variety of exercises with respect to the matters that at the moment trouble the Minister of Consumer and Commercial Relations (Mr. Elgie) somewhat more greatly than do the matter of the boilers in this building and the other things that seem to wind up on his desk.

I think it is important, now that we have had an emergency debate and a statement at length from the minister, to look seriously into the sequence of events that has happened. We should see what we can learn from the questions that have been asked and the approach that has been taken in answering them.

In the context of the duty and obligations of the minister I first of all would suggest that we turn to chapter 274 of the Revised Statutes of Ontario for 1980. We find in that act that it is a ministry of the public service. We find that "the minister shall preside over and have charge of the ministry." Of course, we find in section 4 that the minister is responsible for the administration of quite a list of statutes, among which are the Loan and Trust Corporations Act and the Securities Act.

For nearly three months now we have been asking questions on nearly a daily basis. In addition, there have been five motions for emergency debate on the matters that have resulted in the takeover of three of the trust companies within our province and the two mortgage operations that are under the federal authority.

Between October 26 and November 16 the minister's position on the issue of the sale of the Cadillac Fairview buildings changed rather substantially. Here is a quotation from what he said on October 26: "I think our obligation is to make sure there are no collusive relationships between the people selling properties." That was responded to by my leader the member for London Centre (Mr. Peterson) when he suggested: "We have an opportunity to deal with this emergency situation now. Will the minister permit this matter to go before a committee of this Legislature?"

On October 27, my colleague the member for Yorkview (Mr. Spensieri) moved in the standing committee on general government that the committee review the Cadillac Fairview sale to Greymac Credit. Of course, as has been the case so many times over this past year or so, the vote was six to five with the Conservative members defeating the opposition in this instance.

Today, nearly three months later, surely all members of the opposition and, indeed, not only major media outlets but many of the editorial writers across this province, are calling for a royal commission inquiry—an independent inquiry into the series of events which has led us to where we are today.

In the context of the Astra and Re-Mor scandals, neither civil nor criminal proceedings have come to trial even though two years have gone by. The civil proceedings are subject to a ban on publication of the recently submitted report of the receiver, Deloitte, Haskins and Sells. The criminal trial could well be subject to a motion for dismissal under the grounds that the rights to a speedy trial under the new Charter of Rights had been violated.

Investors have not been compensated. That is two years after we came forward to what were called the realities of March 19, 1981. The

minister will recall that only by a few moments was a committee of this Legislature able to have a report completed and in the hands of the Legislature before the writs were issued proroguing that Legislature and, as a result, calling for a new general election.

Two years have gone by. Virtually nothing has been accomplished. Investors have not been compensated. If there are to be criminal matters, the persons involved have not been brought to trial. Now here we go again.

On October 28 my leader asked why the minister would not allow an investigation. The minister's response was, "is the issue of whether there should be some large-scale investigation into the sale of property. Is he saying that Greymac Credit Corp. is acting improperly in some aspects of this transaction?"

Yet this very day the minister stands in his place and, while shuffling through a variety of nonanswers and other papers, advises us from a little note that has been sent to him that the Ontario Securities Commission has issued a press release announcing a section 123 cease-trade order against Greymac Credit Corp., and a section 16 freeze-property order. We well know this order is possible if there has apparently been some contravention of the Securities Act or of the Criminal Code.

So there is the period from October 28, when there was the innocence of response to a question, to this day when the minister stands in his place to find something which we have unfortunately all found out, that there may well have been improper acting in some of the aspects of these transactions.

The minister went on to say, "I think the minister should respond to matters that concern the public and should respond in accordance with their concerns." Since January 7, 1983, the concerns of the public have been overwhelming. The concerns really have only been two. The first is what happened and the second is how did it happen.

I suggest it may well take us some time to sort out all the aspects in those two concerns. But the minister certainly has a great and extensive knowledge and, in my view, could to a much greater extent reassure the public as to the concerns which they have. He could give answers not only to what happened, but also to how it happened.

8:10 p.m.

On October 29, 1982, my leader asked: "is the minister going to be investigating the recent acquisition of the control of Crown Trust by

Greymac? Does the trust company or its takeover have any relationship to the deal in terms of its financing is the Ontario Securities Commission investigating?"

The answer at that time was: "However, if the member is really suggesting that the government should introduce special legislation to halt a private transaction in the absence of any knowledge that there is something fraudulent about it, I suggest that would be to deprive people in this society of a fundamental right."

On December 21, 1982, the minister introduced his special legislation. That special legislation was used to halt a private transaction, which the minister may have wished might not have happened. The legislation permitted the ministry to take over the trust companies without notice; certainly a requirement which was in place under the old unamended act. To date there has been no acknowledgement of any fraudulent activity. But certainly we have been led to believe there are a variety of investigations and activities involving not only the Ontario Provincial Police but the Royal Canadian Mounted Police—various fraud investigations and other matters which are ongoing.

Let us go on to November 5, 1982, and November 8, 1982, when the Cadillac Fairview and Greymac deal closed some 11 days earlier than it otherwise was going to. The minister met with one Leonard Rosenberg on November 1. On November 4, he was unaware as to what the closing date would be. He certainly did not hear about the flips and yet these must well have been in the typewriters, on the copying machines or in the printing presses with the great variety of documentation that was clearly needed in order to have everything in place. But it was several days after that he had the meeting with Mr. Rosenberg.

On November 10, the minister released his announcement about the flips and on November 15, my leader asked: "I am asking the minister now, will he use section 151 of the Loan and Trust Corporations Act to stop this deal now and find out every single aspect about it before he lets anything proceed any further?" On November 16, we had a statement from the minister. It was a three-part effort involving not only amendments to rent review, but announcing the inquiry to be made by Stuart Thom QC, and also the Morrison inquiry under section 152.

In questioning, my leader and others of us went into the other matter. This included not only major purchases in my community of

Kitchener and also in London, but also involved various other aspects not only of the principals and of Kilderkin, but of a variety of transactions that could well have been not at arm's length.

Again the question was asked: "Would the minister not agree we need a thorough investigation?" The next day, on the 17th, the minister announced the Morrison inquiry would be extended to deal with Greymac Mortgage. Two days later there again was a question from my leader, when he said: "The minister has to start now to look into all aspects of this deal." At that time, I might add, further examples were given of the involvement of Kilderkin and Seaway in properties in London.

From the time the minister appointed the Morrison inquiry, every question has been answered by a reference to the Morrison inquiry. We keep asking questions, we raise a variety of issues, and we are told by the minister, "This will all come in due course. This will be dealt with eventually. I will let you know information as soon as I receive it."

In the minister's statement on November 16, he said: "... some of the companies involved in this series of transactions have offered to provide us with their full co-operation and I do not expect the section 152 review to be a lengthy matter."

Certainly, subsequent to the January 7 takeover, the comments in the Toronto Star alone were to the effect that there was "a lack of co-operation," and there was the failure of some trust companies to make documents available. These were apparently cited as the reasons behind the takeover.

In his statement on December 30, Leonard Rosenberg stated that he had been entirely co-operative with the Ontario Securities Commission in connection with disclosure requirements for the outstanding Crown Trust takeover bid. In fact he even said the OSC staff had substantially drafted the revised circular that the OSC subsequently rejected. As for the section 152 review, certainly Mr. Morrison has now been involved in that for two months. In an interview with the Globe and Mail he advised that he and a staff of 10 were at it nearly full time.

We must assume Mr. Morrison and his staff are certainly of average or above-average competence and, upon the minister's own admission that interim reports have been made, there seems to me to be absolutely no excuse why answers to a variety of the questions that have been asked have not been made available.

There is every reason to believe the Morrison inquiry was certainly entitled to look at, and ought to have looked at, certain documents relating to the Cadillac Fairview sale to Greymac.

Those would include at least three categories. The first would be the lease-back guarantees to Kilderkin which are apparently the basis of the valuation of the buildings at some \$500 million. The second would be the participation agreement with Kilderkin and, at least, Seaway. Third, we would have the solicitors' documents, reporting letters and statements of adjustment that should clearly indicate who received the balance of the \$125 million cash after Cadillac Fairview got its \$40 million and also to whom the total mortgage advances of \$145 million were made.

Those three themes should be developed and we should have the information, after two months, through the reviews of solicitors' reporting letters and a variety of other items that would make up such files. If those reviews are not complete by this point one wonders just when they may be completed. The questions we have asked are strongly based upon the need to know those themes of information I have set out. In my view, they should be reasonably easily available.

This information, had it been properly available from the outset, could have answered most of the questions on the deal and, certainly, should be readily available to Mr. Morrison and his staff. If the items were not immediately available then strong remedies should have been sought much sooner. If they were available, then the minister knew some very pertinent details which should have been disclosed long ago to this House, and through this House to the people of the province.

However, when we look at the Morrison inquiry, we see the minister's comments on November 26. He said then, "When I have such information I will be pleased to reveal it at the appropriate time." We wonder just whose idea of appropriate time we are using. On December 10, the minister admitted that the section 152 inquiry would extend to all the transactions and all the business of Greymac Trust and Seaway Trust. The minister was then asked how long he felt the inquiry would take with respect to Cadillac Fairview. That question went unanswered.

My leader, in pointing out the now somewhat widened scope of the inquiry, said, "Even the Premier said the object of the Morrison inquiry is to look into the valuation of some of the attendant properties with respect to the Cadil-

lac Fairview sale." On December 9, my leader had set out the facts on the astonishing series of transactions surrounding the Greymac Credit Corp. head office. On December 10, the same day the minister commented on the expansion of the section 152 inquiry, the balance of the wild mortgaging on 49 Yonge Street was further set out through the activities of our research office.

The catalogue of events moves us on to December 20. The Legislature was still in session and the minister was advised by my leader that there was a proliferation of transactions to which the trust companies were party and that those transactions had been occurring over the past two years. The minister responded, "There have been practices that have arisen during the past few months." He added, "The kinds of transactions . . . about which we all have some concern are, by and large, ones that have been taking place in the past few months."

8:20 p.m.

It is time to put on the record of the House that our research to date and the items we have released, particularly the one in Barrie that goes back to 1980, involve both Greymac Mortgage and Seaway Trust and mortgage financing of more than \$3 million. I believe there will be further examples released that will also show these matters have been going on longer than just the past few months. If one looks at the operations with respect to the purchase of Crown Trust, the past few months would perhaps take us back to September or thereabouts, but these transactions go back much further than that.

In the context of these trust and mortgage companies, their assets, which are mortgage portfolios less their liabilities together with deposits and guaranteed income certificates, have grown phenomenally in two years. I would have thought the Ministry of Consumer and Commercial Relations would be particularly interested in those financial institutions whose balance sheets have shown the greatest amount of change over the period of time the review or investigation covers.

None the less, the deals which were done throughout 1981 and during the early months of 1982 are the ones which are of special interest to us, and would show the greatest change in the assets and liabilities of some of the companies which are involved in these investigations. It is equally remarkable that Seaway Trust assets increased by nearly \$100 million between June 30, 1982, and its last financial filing.

Then we turn to December 21 last, which marked the end of the question periods that had gone on throughout the last few weeks of the fall session before its adjournment for the Christmas vacation. My leader asked the minister if an all-party committee, which would be reviewing the white paper to be submitted to it, would be permitted to take a look at the performance of the financial institutions division over the past two years. The minister was quite direct in his views that day. He said, "The answer to the second question is no, and I think it is impertinent to ask it."

There is a response—a response which may not live in days of infamy like the events of Pearl Harbour, but certainly may well put a few holes in the ships of the navy of the Minister of Consumer and Commercial Relations.

This week in the House, now that we are back to complete in two or three or four weeks the work which we did not fully accomplish last fall, we have had indications from the minister that any review of the ministry will be an internal one. I put on the record of the House these various events because it is important that this sequence is clearly here for all the members to see.

This matter has been before this Legislature for several months. We have had the opportunities to seek inquiries. There have been questions asked. There have been revelations in this financial folderol not only during the past few months of last year. Indeed, they have blossomed during this past week.

Some of the people involved have been involved in other events of which the ministry would have been aware. We look at the situation with respect to the Ontario Securities Commission and wonder whether messages ever get across the street; whether they go from one office responsible for the operations of securities marketing and organizations in this province to the ministry itself, where the responsibility under the financial group does not seem to be very clearly understood.

There are a variety of these themes that I am sure members are going to come back to time and again over the next few months. I have only been able to highlight some of the circumstances and the questions asked over this period of time.

The answers given have been somewhat halting. The minister certainly has the reputation of being a forthright person, one who I believe would share with this House any information that would improve upon the securities legisla-

tion and the operations of companies within Ontario. But it seems almost as if the events of these last several weeks have overcome the strong attitude the minister has to be as open with us as he can possibly be.

There have been massive articles written in the press. Looking through today's clippings in the *Toronto Star*, I thought the last comment in one of the articles dealing with the trust companies was a somewhat poignant one. Again it recited the comments made by the minister with respect to Crown Trust. The article ended, after a review of the apparent interest some Alberta financiers have in the purchase of Crown Trust, with this comment: "Earlier this week Elgie told the Legislature Crown is no longer 'a viable, going concern.'"

I do not think Bud MacDougald would be very happy about that kind of approach. That is a company whose history goes back through virtually 100 years of financial activities within this province, a company that is one of the biggies, one of the largest traditional trust companies, one in which my city of Kitchener has \$1 million and hopes it will be all right, as do we all. Looking at it, it makes you realize how quickly these financial institutions can be changed, not only in ownership but also in the direction in the use of their funds, their prestige and their name in the community.

I guess our own name is the most important asset any of us has. When that name unfortunately is soiled it takes a long time for that soil to wipe off. When a corporation like Crown Trust and its traditional position within the financial community is bruited about in the marketplace the resuscitation of that company will take a long time, if it ever is resuscitated. It will also take a long time for the sharing of the difficulties that every other financial institution will have, whether earned or not.

I thought I would use my time this evening simply to set out the sequence of events as I saw it. I regret that it happened. More particularly, I regret that some of the opportunities that had been suggested from this side of the House, which might have led to some earlier warning, were not followed through on.

I wanted most especially to suggest that the variety of internal guidelines do not seem to have been successful. I am referring to the things I mentioned during the debate on Monday afternoon: the internal operations through the financial institutions branch, through the Ontario Securities Commission, through the relationships for review of internal operations

of the companies and the reporting mechanisms. I will not say they failed abjectly; that might be too strong a statement. But they certainly have not been successful and have not followed the tone that even the minister's predecessor told us was in place, the kinds of things upon which we could rely.

8:30 p.m.

I suppose the minister was correct today in saying, "You did not ask us about that in the last estimates." Surely if these things are in good order and discipline, we do not need to ask every year about every statute of the approximately 70 for which he is responsible. We expect things are going well unless they otherwise do not. In this instance, unfortunately, our expectations have not been entirely lived up to by the operations for which he is responsible.

That is my review of this circumstance as I have seen it. I think we have a lot to build upon. Certainly the reviews, not only the public reviews but also the private and internal ones that are going to take place, are ones in which we are all going to be interested. Those are the questions that have been asked and those are the responses we have had to this very day. In the next few weeks I am sure we are going to see and hear much more of this ministry, because there is much to answer for.

The Deputy Speaker: Just to refresh members' memories, we are in a time allocation. I will ask for the chair to be reminded from time to time as the appropriate time is used up by all parties.

Mr. Rae: Mr. Speaker, it is a great pleasure to follow the member for Kitchener (Mr. Breithaupt) who, if I may say so, has laid out some of the facts with respect to what has happened. As one might expect, I would describe it as slightly skewed towards a Whig view of events in terms of challenge and response. I still think there are some things that need to be said, not simply about this particular series of transactions and the investigation into these three companies but also about the difficulties that both the federal and provincial governments have had in regulating the financial institutions and some of the very difficult choices and decisions that still have to be made with respect to these matters.

My experience in dealing with these questions does not only stem from the last two months, which have been fairly hectic. November 15 was my first day in the House and, as the member for Kitchener has pointed out, that was the first day we met following the revelations

with respect to the nature of the transaction that took place and the precise nature of the minister's plans with respect to that transaction.

In my previous experience as the Finance critic for our party in the federal House, I had occasion to deal not only with the Bank Act, which we reviewed for nearly two and a half or three years before it was finally passed, but also, naturally, with Astra Trust. I must say, whenever I hear members of the Liberal Party here complaining or raising questions about Re-Mor and Astra and expressing concern about the fact that the Conservative government has not done as much as it should have done—views that I not only share but also have put forward in many different forums—I cannot help but recall that we got absolutely nowhere and nothing from the federal Liberals with respect to the Astra investigation. To describe it as a stonewall would be to pay it a tribute.

Mr. Cunningham: It's a credit to our integrity.

Mr. Rae: My friend says it is a credit to his integrity. I am not sure whether he means it is a credit to the integrity of the Liberal Party or to what he is referring.

Mr. Cunningham: We are independent of our federal cousins.

Mr. Rae: All I can say is that it entitles us to view with some degree of scepticism the question as to who exactly is responsible for the situation we are in today with respect to these companies and these activities and the difficulties of regulation.

One could go back to the report of the 1964 federal royal commission on banking, which was chaired by a very distinguished former member of the Conservative cabinet in this province; it was appointed by Mr. Diefenbaker and chaired by Mr. Justice Porter. The minister may want to have a look at it, because it points out some real dangers and difficulties that many of us have been pointing to for a very long time.

These are the difficulties and dangers of having closely held corporations with few regulations and requirements with respect to financial disclosure; of having the right to raise deposits from the public and of having a significant degree of financial responsibility and financial trust placed in them, and having them covered, not by the Bank Act but by a piece of their own legislation, which in the view of the commission at that time was inadequate and which I think many of us who looked at it through the period of the review of the Bank

Act this last time and during the Astra/Re-Mor series of events feel is very inadequate today.

It would be foolish to pretend there is a magic solution to this problem of controlling and regulating trust companies in our credit industry in general without being too heavy-handed and without preventing some good and healthy competition taking place.

I know our party is not regarded as one with naturally close links with either the banking industry or the trust industry. Nevertheless, I have found a remarkable degree of openness by many individuals in both these industries in talking frankly about what they see as problems, what they see as challenges and what they see as realistic regulation.

I am convinced that the credit industry in this province needs to have a very healthy mix. I do have a concern, which I think is shared by a great many people, about the trust industry as a result of what has happened over the past couple of months and as a result of what may yet happen. I am not one who has ever believed in the usefulness of engaging in interesting speculation or otherwise, unlike some other people I could think of at the moment, but I think there are some very real problems ahead of us and ahead of the minister which could do further damage to the credibility of the trust industry.

I do not rub my hands at that at all. When I make the kind of remarks I have made with respect to the need to have widely held ownership in the trust industry and to establish rules limiting the ownership to 10 per cent and some of the other suggestions that we have been making for some time and the federal government put forward in its white paper with respect to federally chartered trust corporations, I know that the one group of institutions happiest with that scenario is the chartered banks.

The reason the chartered banks are the happiest with that scenario is that they are happy whenever they see their competition facing more stringent regulation and facing, if one likes, a more interventionist approach than they had otherwise.

That is why I stress the need for us to find a balance, because I do not think our credit industry benefits in the slightest if chartered banks are going to be given once again, or given in any sense, a greater monopoly over the allocation of credit.

I believe, and our party believes, very strongly that we need a healthy mix both federally and provincially between a co-operative sector, a private sector and a reinvigorated public sector

able to provide credit to people, to enable people to get the kinds of services they want and to enable credit to perform for the benefit of the economy and for the benefit of people rather than as an instrument serving the advantages of a few as opposed to the advantages of everybody.

We are a long way from that in Ontario. We are a long way from having a healthy mix. No government has taken provincial savings banks seriously. The co-operative and credit union sector has expanded and is expanding and after having gone through a very difficult period because of the high interest rates, as I think the minister will agree, it now finds itself in a far healthier position than the one we knew it was in a year or a year and a half ago. But it still faces some statutory disadvantages. It is a shame that many credit unions in many provinces are not eligible to receive government funds on deposit. They do not get the benefit of receiving deposits from many other institutions, because of the nature of the guarantees and because of the nature of the legislation under which they work, both federally and provincially.

9:40 p.m.

With respect to the problems facing the trust industry, it is not simply, as the member for Kitchener has pointed out, that there are events with respect to these couple of trust companies that should have given rise to concern over the past two years and that somebody was asleep at the switch—I think that is the phrase that has been used—but it is more a question of the pattern that has developed over the past 17 years.

One can choose whatever watershed one wants, but this is the watershed that comes to my mind. Ever since the collapse of Atlantic Acceptance, there should have been a clear message to all our financial institutions and to the governments of the provinces that they had to get serious and tough with the question of regulating those institutions which were able to raise money from the public and which were able to manipulate other people's money, to use the classic phrase Mr. Justice Brandeis used in his famous book of 1913.

In a comment the minister made the other day, he proudly pointed to the fact that it was the Ontario government that led the way with the passage of the Ontario Deposit Insurance Corporation Act in 1967, which was followed by the federal act. While the provincial act is still on the statute books, there are no directors of the Ontario Deposit Insurance Corp., and in a sense it is a defunct or passive institution.

I suppose the Ontario government can take some pride in the fact that if one looks at the history of that legislation, the reason legislation was passed—as the minister well knows—is that there was a run on York Trust. I am not going to remind the minister or the members of the Conservative Party who was the major interest behind York Trust. He is now a very prominent, well-known Conservative in another jurisdiction. But that was the indication that something had to be done, and something was done.

Section 34 of the Ontario Deposit Insurance Corporation Act gives practically the same powers to the board of directors, to move in on a trust corporation incorporated in the province that appears to be having problems or whose assets appear to be questionable or that is in any difficulty whatsoever, as were established under the act we passed on December 21. The powers were there; they go back to 1967. In a sense, the government was aware of the difficulties involved and that there were problems with institutions that collected money from the public and that had to be more tightly regulated and more closely watched than they had previously been.

One could go through a number of other instances of bail-outs of companies facing problems and other companies agreeing—one presumes after intervention of some kind on the part of the ministry—to have other companies take them over to see them through a difficult period so there would not be a run.

Then we get to the question of Astra Trust and Re-Mor. The significance of the Astra Trust and Re-Mor situations is that they demonstrated how easy it is to get a licence in Canada, or at least in Ontario. If one cannot get a licence in Ontario, one can always get one in Ottawa; and if one cannot get one in Ottawa, one can always come back and try another kick at the can in Ontario. The minister is shaking his head as if to say, "No, no, it could not happen in Ontario and it did not happen in Ontario." Re-Mor was licensed in Ontario. Let us not forget that.

Let us also not forget that in the legislation we passed on December 21, there are two aspects. The first aspect is the aspect the minister covered in his statement on Monday, and it is the aspect that has received all the attention of the media and all the attention and focus of this Legislature with respect to the takeover of the assets of the three companies involved.

I find it rather curious why the other aspect of the legislation apparently has been neglected by the minister in his statement on Monday and by other observers of the scene. Yet that other

aspect of the legislation is just as important as the seizure of the assets aspect and has implications that are just as strong in the manner in which they reflect on the credit industry and what is happening to that industry in Ontario.

Since it all has been blabbed anyway and has been in the papers for the past three weeks, the minister will recall my colleague the member for Riverdale (Mr. Renwick) and I went to speak to him and the Premier (Mr. Davis). Both the minister and the Premier talked to us about the need for legislation. They had no trouble convincing us of the need for it. We were delighted they were finally moving in this area, an area in which we had wanted the government to move some time ago.

They were concerned that it was too easy to buy a trust company in the province. They were concerned that while the government had the means to check people who wanted to apply for a licence, it did not have the means to check people who wanted to take over, merge or acquire a company that was already in the trust business.

It subsequently emerged, and this all comes directly from the newspapers, that a certain individual who is 20 years old had made a bid on a trust company. The trust company's name is Dominion Trust. The only reason I bring this matter to the attention of the House, and I am sure it is a matter that will be raised again, is simply this: If the legislation passed by this Legislature on December 21 prevented this transaction from going through—and the indications and the quotations from Mr. Thompson and other individuals who were quoted indicate that is exactly what happened—as well as another takeover by Mr. Rosenberg of Vanguard Trust, one is inevitably led to ask a question.

I do not ask this in a hysterical way, because I try not to let that be my approach to this issue. How many acquisitions and mergers have taken place in the previous 10 years that the minister, the ministry or anybody was not able to stop because they did not have the legal power to stop it? That seems to me to be a logical question. We know who we got and we know who we stopped after December 21. Who were we not able to stop before December 21?

I am suggesting there is a lack of regulation in the sense that problems are clearly going to emerge because of the way in which this ministry has responded to concerns expressed to it about Seaway and Greymac; a lack of law with respect to takeover; a lack of law with respect to

financial disclosure; and a lack of law with respect to diversity of ownership.

There are also the tremendous loopholes that exist with respect to foreign ownership so that, despite the provisions in the act that would appear to limit the amount of foreign ownership, we still have the situation where Branco Weiss is able through indirect means to control virtually half of Greymac Credit, which, as the minister knows, owns 99 per cent of Crown Trust and 99 per cent of Greymac Trust.

8:50 p.m.

If you look at the list of trust companies that was published in the past 10 days in the *Financial Post* and see who owns their shares, you are led to ask yourself, is it really appropriate to have one individual or one company with that much financial leverage, that much ability to manage and—I say this not in any pejorative sense but simply in a technical sense—to manipulate other people's money?

That seems to me to be the fundamental question which the government is going to have to address very directly, straight on in a white paper, because the government has to know that the federal legislation is moving in one direction towards the 10 per cent rule. They may grandfather some people—we all know that various interests are going to find their way to the Senate and to those institutions that listen to those powerful interests—and the legislation will not take the form it has taken in the white paper. But we know that this is the position they are going to take.

The very real question in this province, which is still the financial and economic capital of English Canada, that this government is going to have to decide and come up against very clearly is whether the rules that are developed in Ontario are going to be more relaxed, easier or looser? Is the regulation going to be less stringent or more stringent than it is federally? That is where you get into the nitty-gritty of the 10 per cent question, the diversity of ownership question, the financial disclosure question and questions involving conflict of interest.

I do not think I am telling the minister anything he does not already know or anything his ministry does not already know and is not putting its mind to in the white paper, but I simply want the minister to know that we in this party are very aware of that problem and are very aware that for all the scandal-a-day preoccupations of some people, that is not really the issue.

It is part of the issue, yes, in the sense of this

transaction. But a much bigger part of the issue is that while we know what the tip of the iceberg is like, what is the rest of the iceberg doing? That is a much tougher question. If the minister ever has sleepless nights, he must be asking himself, "Are there any Leonard Rosenbergs out there whom I don't know about and whom we haven't found out about, because we did not find out about him until it was very late in the game?"

I guess this is the question that is in the back of my mind, and it gives me some sense of unease when I consider the difficulties and problems that are being faced now by a great many depositors with Greymac, Crown and Seaway Trust.

Yesterday in the House of Commons—and I was not watching it out of any sense of nostalgia but simply because I had a gut feeling the Tories in Ottawa were going to start doing the number they usually do when an event starts taking place here: they were going to start asking questions about the trust company situation—

Hon. Mr. McCaffrey: No nostalgia at all? Not even a little nostalgia?

Mr. Rae: None at all.

I was interested to hear Mr. Wilson, who is the financial critic for the Conservative Party, say a number of things yesterday that I think must have given the minister some concern. First of all, he said we were on the verge of the biggest financial default in Canadian history. The second thing he said was that Mr. Cosgrove had known for more than a year about problems facing Seaway Mortgage and Greymac Mortgage.

The question that comes to my mind there is not simply a question of scoring points off a Liberal here and a Tory there. Having watched both of them from roughly the same vantage point in this part of the chamber, there is not a heck of a lot of difference, with great respect.

The following questions arise from that fact and from, not simply the title searching that was done by the research department of the Liberal Party for a time in November and December but also the information that all of us, with great respect, have been receiving from a great many people in the industry and outside the industry, in financial circles and elsewhere, warning the ministry about the problems facing Seaway and Greymac.

The question that I think is on everybody's mind is, if Mr. Cosgrove's department, the Ministry of State, and the Department of Insurance in Ottawa knew a year ago that there were problems with Greymac and Seaway, surely

that must have been communicated to the ministry here. Conversely, if the ministry was facing difficulties with Seaway and Greymac here, we know that information must have been conveyed directly to the departments in Ottawa.

One has to ask—these are the questions I was attempting to ask today, and the minister was saying he simply was not going to answer them, but surely they are questions that have to be asked—what exactly the ministry did with the information it had. What internal memoranda went from Mr. Thompson to the deputy minister and the minister? Was the minister briefed at the time he became a minister that this was a problem area? Was it something the ministry saw as priority number one? Was it something the ministry saw as priority number two or priority number three?

It would be true to say that if any one of the minister's officials, or indeed he or anyone else, made a public statement saying such and such a company was under investigation, that would have an immediate consequence on the confidence any depositor would have in that corporation. If the minister were wrong, if there were no problem, then the minister would be not only being very unfair to the company but obviously also opening himself to the very real legal action that the company would certainly be entitled to take.

Similarly, if there were any allegation—and I guess one comes to the question of criminal investigation which was confirmed today in the House by the Solicitor General (Mr. G. W. Taylor)—if at any time it had been announced that these companies were under criminal investigation as soon the deal was closed, everybody knows that would immediately put a run on those companies and the situation would be extremely serious.

At the same time, there is another problem and one would like to know. The only way we can do it, I say with great respect to the minister, is not through an internal report on administrative procedures but through an inquiry by some independent person. That person would not be me—I do not want to turn this into a political football—but I say to the minister, unless a public inquiry is established, we are going to have to attempt to refer it to a select committee.

My preference, quite frankly, would be for a public inquiry where an independent person can ask very directly of the minister and his staff, "When did you know what you knew and, having got that information, what did you do with it?"

Those are the real questions. If there was no negligence, if there was no lack of vigilance and if there was vigilance all the way through and administrative decisions that can be justified all the way through, then all of us would feel much better and would have much more confidence in the ongoing work of the ministry, and we would all have much greater confidence in the reforms the ministry is going to be proposing.

But if that inquiry determines that there was a phone call or a letter, or a number of phone calls and a number of letters, from people in the industry or people associated with the industry or that things turned up in the ministry's own investigations and were not acted upon, then I think we are entitled to some real explanations and we are entitled to point a finger of blame.

9 p.m.

If there was an investigation of the books of Seaway, Crown or Greymac and there appeared on the face of it to be a problem of valuation, and if the problem was dealt with in the way in which the minister dealt with it in his statement of December 21, with his long, philosophical inquiry about what is value, then I would worry. For if the ministry had concerns about the problem of value and failed to act on those concerns, and if those companies continued to accept deposits from the public and to hold themselves out, and were held out by the ministry, as if they had the total imprimatur of the ministry and of the minister, then again the finger of blame, the finger of responsibility, could point in only one direction and that is directly at the government.

Yes, there have been signs on the wall. I disagree with the member for Kitchener, who said that they go back to 1980 or perhaps to Astra Trust. In my view they go back to long before that.

I know there have been a number of individuals in the financial community and elsewhere who have expressed concern time and time again with the way in which trust companies have been allowed to be established, with the blanket right they are given to raise money from the public, with the kind of leverage they are able to exercise and with the sorts of deals they have been allowed to make. All these are matters which I think it must be said go well beyond the questions of Greymac, Crown and Seaway.

These are questions which go back a long way in the history of this province and to the failure of this province to respond to the economic,

political and social realities of the world of money and the world of exchange.

I want to turn now to the broader future problem of where we go in this inquiry and where we go in this investigation. The minister has consistently said that the Morrison inquiry is going to provide the answers to many of the questions which we in this party have been asking, those which the members of the Liberal Party have been asking and those, indeed, which I know many members of his own party have been asking him privately. But I am not so sure that the Morrison inquiry can answer all the questions.

I have expressed some scepticism, both in committee and in this House, and will do so again, not with respect to the good faith or the ability of Mr. Morrison—I would not dream of questioning that for a moment—but rather whether he really has ample jurisdiction under the Loan and Trust Corporations Act to be able to ask all the questions and to get all the answers that he is entitled to and that we are entitled to, not only with respect to the ownership of the numbered companies but with respect to the management of the trust corporations themselves.

That is why, from the time the Morrison inquiry was set up, we in our party said we did not think that was adequate and that what was really required was a more broadly based public inquiry. We wanted one which would be able to examine not only the questions surrounding the transaction and what Mr. Rosenberg said he told the minister and what the minister said he told the ministry, but one in which we would be able to look into all aspects of the transaction, all aspects of Kilderkin's work, all aspects of the previous financial history of these organizations and of their dealings and, finally, all aspects of both federal and provincial regulation of these companies' dealings and this particular deal.

There are a number of facts that in my mind and to my way of thinking really remain questions that really remain terribly unanswered. This deal did not close downstairs somewhere in a basement. This deal closed, I understand, as I have read in the newspapers—and I stand to be corrected—in the corporate offices of Goodman and Goodman. It was attended not only by legal counsel for Greymac, Seaway, Kilderkin and the numbered companies but also, we understand, by Cadillac Fairview itself. All the parties to this transaction must have understood the nature of that transaction as it occurred.

What is remarkable to me and what in a sense is a political question I cannot answer, which I

have shared with a couple of my colleagues, including the member for Riverdale, is this: How could those people, so many of them as close as they are to the Conservative Party, have possibly thought it was possible in the Ontario of 1983 for that kind of deal to stand up in the light of the implications it has for the tenants and for the people of this province?

I think we have seen a very healthy development in the politics of this province in the last few years and certainly a very healthy development in the last few months. That kind of speculation, when it is exposed, whether it is legal or illegal—and I am not in a position to pass judgement on that, and none of us here is until all the investigations have been completed—but whether it is legal or illegal we in this party are in no doubt at all as to its fundamental morality and as to how it responds to the commonsense view that people have of the acceptability of this kind of deal in 1983.

It is because the deal was in a sense consummated in a way that everybody knew about and everybody was aware of. The minister was apparently supposed to be told that the deal was going to go through. Mr. Rosenberg has stated that somebody from Cadillac Fairview—he has not named that individual; we can all spend a basically fruitless but nevertheless interesting time thinking who that individual might be—somebody either representing or close to or part of Cadillac Fairview was supposed to inform the minister of the deal.

Nevertheless, there is no doubt that all those individuals appear to have known about it. I have seen no denial from Cadillac Fairview that it was aware of the nature of the transaction and it acquiesced in the view that has been given to the whole transaction by Mr. Rosenberg that in this deal Cadillac Fairview was the wholesaler and both he and Mr. Player were simply the retailers putting the price up in a way that is perfectly legitimate in a market society.

What I am suggesting, and this is a difficult thing to say, is that when we look at all the things that have taken place—and there is one other thing I want to touch upon and then I will sit down—it becomes all the more clear why we have to have a public inquiry. It is not only a question of who was supposed to inform the minister, why did that person think the minister would know and why did Mr. Rosenberg think that person would inform the minister; it is also a question of what the response of the ministry has been right through.

We know what the published response has

been. I certainly know what it has been at first hand since the time I was elected to this place, and I know what the minister has said in this House. I believe and feel that he has acted in good faith in telling this House what was going on.

But I also think there are questions that have clearly not been answered. Today, for example, the minister refused to answer any of the questions I put to him concerning when he knew certain information and when he was first aware of certain information, and he has said the only way we are ever going to find out is when there is some sort of internal, administrative, self-judging exercise which they will share with the public of Ontario once it has been completed.

9:10 p.m.

I have some other questions, the answers to which I think the public should have a right to know. Why was the firm of McMillan Binch retained when it was retained? What exactly was the work of McMillan Binch to be when it was retained? What was the involvement of the firm of McMillan Binch in the drafting of the emergency legislation, or was that legislation drafted within the government? Precisely what conversations took place between counsel for McMillan Binch and the minister with regard to the question of conflict of interest over Victoria and Grey?

Mr. Macdonald, who is the counsel to the minister, is a director of Victoria and Grey, a company that has expressed not only interest, because to describe it as interest would be to describe much too shy and retiring a view, but I think one could say has expressed desire with respect to the purchase of Crown Trust.

If I were a competitor of Victoria and Grey in the trust industry, which as the minister well knows I am not, I would have some questions. I would want to know why Victoria and Grey appeared to have the inside track during all that time. What kind of information was coming forward with respect to the assets and liabilities of Crown Trust? What sort of information did they have? Where did the government get its information? How was this conveyed to the government? What phone calls took place? What correspondence was there?

These are questions which cannot be answered. The minister is shaking his head, but it is just not possible to organize and conduct this kind of major intervention without these perfectly legitimate questions being asked. They are not being asked out of a sense of scandal or mischievous-

ness, they are being asked because, on the face of the record, they have to be asked.

If I may say to the minister, once this event became public, which it did in and of itself on November 4 or 5 when this deal was closed, at that point the old boy network went into effect of phone calls, special understandings and saying: "We are going to bail out so and so. This is going to happen. This is not going to happen. We are going to do this or that."

As to the ways various establishments have devised over the history of the last 3,000 or 4,000 years to take care of their own, all those things go by the board because we are in a new and completely different ball game. We are in a situation where these events are public, where the public is involved, where the public has a right to know, and where the Legislature has a right to know and has to ask. I can tell the minister, we are simply not going to be put off.

Astra Trust and Re-Mor were referred to a select committee of this Legislature. That committee was able to get some important information because it was able to subpoena and cross-examine witnesses and to compel the production of documents.

I would say this to anybody, no matter who was in the ministry. J. S. Woodsworth could be the Minister of Consumer and Commercial Relations and I would be saying the same thing to him. He cannot be the judge in his own cause. He is not in a position to go back to the ministry and say, "I have asked the following people whether they had any phone calls or messages and this is a summary of the information they have given me."

If I may make an analogy, when the minister gave his statement today with respect to what happened with the trust companies, we did not have the correspondence tabled. We do not have an account or an indication as to exactly who was at the meeting. We do not know what the ground rules laid out at the meeting were.

We do not know what the minister said to those individuals. We do not know what those individuals said to the minister. We do not know what those individuals said when they left the meeting. We do not know who they phoned. We do not know who they wrote. We do not know what they did.

All we have are two little pieces of paper which are, in a technical, evidentiary sense, self-serving pieces of information. In a technical sense, all the minister is able to give us in response to a series of questions in the House has been self-serving information which comes

from the source that is being challenged and questioned, and where we cannot get behind that to produce documents, compel the production of documents and evidence, cross-examine witnesses under oath, question their credibility, look at questions of consistency, internal and otherwise and to come up with some answers as to exactly what has happened, what is happening now today and what is likely to happen in the future.

That is the long and the short of the reasons there simply has to be a public inquiry. Not because any one party or another party has got on a high horse, not because there is—certainly not on our part—any personal vendetta against the minister, the Premier or anybody else, but simply because some things have happened and certain questions have to be asked. It is not pleasant to have to ask them.

We would all like to have the utmost faith in the integrity of our financial institutions. We would all like to think that everybody who got involved in the trust business was a totally trustworthy individual who would never lie to anybody—his mother, his grandfather, the minister or anybody else—but that is not the world in which we live. The world in which we live is one in which there are apparently in the trust business some pretty ruthless people, people who are clearly pretty unscrupulous, who do not see anything wrong with making fantastic sums of money for little or no work.

As I have said before, the Canadian Conference of Catholic Bishops suggested there was a moral disorder in our economy. When everyone may think of other views of the bishops, I think that is one thing which has been crystal clear and has been made crystal clear over the last few days, weeks and months. Of course there is a moral disorder in our economy when somebody like Leonard Rosenberg, a speculator, can get up and say, "The only problem I had in making \$40 million for half a day's work was that I did not make \$80 million." Apparently none of that money is taxed. We do not even know where it is. There is no speculation tax which would make that kind of speculation completely unprofitable, if not illegal.

That is why I tell the minister that whether he does it tonight, tomorrow, next week or the week after, he is going to have to call a genuinely independent public inquiry into all these transactions. He is going to have to call an independent public inquiry into the conduct of his ministry and a public inquiry into the information he had, other members of cabinet

had and, if I may say so, even the Premier had with respect to these and other companies as to when they knew, what they knew, how they came to be informed and why they acted exactly as they did.

Unless such an inquiry is held, the inevitable question that will be left in the minds of every citizen in Ontario who cares to think about these things is, what does the government have to hide?

In closing, I would say to the minister that I know he was very critical of those of us who felt it was irresponsible of him, and I still feel it was, to announce the takeovers on a Friday night and then basically disappear—not from working, but disappear in terms of contacting and being in touch with the public for the next 10 days. When governments are in power for too long, they forget. Civil servants in power, who have not seen a change in government for a long time, forget as well. People who are used to working behind closed doors as part of a closed network forget as well.

9:20 p.m.

Secrecy breeds many things. It breeds rumour. It breeds allegations of all kinds of misconduct. It breeds all kinds of idle speculation. The only way to deal with that is with the searchlight of information, of reassurance, of leadership, not simply in terms of actions that are taken with respect to some things but leadership in terms of bringing the public into the confidence of the government and into the confidence of the minister.

I know the minister, judging from the replies he has given to me and to other people in this House, feels he cannot respond, he cannot give us the answers we want. He may know them, he may not know them, I do not know, but he cannot give them to us because it would cause him legal difficulties. All sorts of things are going on in the back of his mind. He has clearly been told by his lawyers, "Don't say anything."

I would say to the minister that the cost of that approach, and this is something perhaps even some lawyers might not understand—because I think there are some things the minister could say but the reason he is not saying them is not for legal reasons but for political and economic reasons—the reason this government is not prepared to guarantee all the investors and all the depositors in the three companies, which would be the single message that I think would give the most reassurance to the public of Ontario, is because that would be an admission of its own lack of vigilance. That would be an

admission that there has been a breakdown of the regulatory process and that would be an admission they had made a mistake, not just one mistake but a series of mistakes.

I want to suggest to the minister that his silence, his relative silence, the fact that he and the Premier—and I hold the Premier as accountable as the minister for this—have not taken the public into their confidence is having consequences on the confidence that people have in trust companies and the trust business and is having consequences, I believe, on people's credibility, people's belief, not simply in the Tory party or the Tory government, but in government itself.

That is why I say to the minister, and in his absence say to the Premier, if they are really concerned about the integrity of our financial institutions—and I believe everything I have heard, that they are—and if they are really concerned about the integrity of government, which they say again and again that they are, then all they have to do is call a public inquiry to demonstrate their own belief in that integrity. That is all it requires.

The failure to do so shows me that they are not proud or convinced of their own actions and convinced that everything they have done is right, that they have nothing to hide, that there is nothing wrong with any of our financial institutions and that there are no more Leonard Rosenbergs or others out there, that everybody else involved in the trust business is doing an A1 job and is absolutely A1, somebody who is totally a trusty trustee; the impression that is being left with the public is that of a government that has no confidence.

It has lost confidence in itself because events have got too big and have come too quickly and have been too surprising, too stunning and too upsetting, because they are too upset at some of the facts they have found about individuals who have long been closely associated with the Tory party. They may be upset with the possibility of other events taking place which could again have an impact on the confidence of the public, and that the ministry and the regulation process itself have shown signs of breaking down along the way.

They say: "That is just not true. You must not say those things. We are not really like that. Good heavens, you do not think we really are that kind of people?" All I can say to the minister is, show me. Show us all. Convince the people of Ontario. Their confidence has been shaken.

It has not been shaken by the National Inquirer-Jeanne Dixon version that we have had of events from the Liberal Party: "I know that something is going to happen next week. I do not know where I know it from, but I know it. I do not know where I got it, but I know it is going to happen. I cannot tell you where. I do not have any inside information but I know it is going to happen."

That is not what is shaking people's confidence. A little bit maybe, but what is really shaking confidence is events themselves. If the minister wants to restore confidence, he should take the people of this Legislature and this province into his confidence, and so should the Premier, and admit that there is a bigger problem out there than they had reckoned with in the first place, and that the only way to attempt to get at what exactly has happened and who exactly is responsible for the breakdown is to establish a public inquiry.

That is really what I wanted to say tonight. I have taken a little longer than I had anticipated. I have had the flu. As the minister will know from his previous training, this has an impact on metabolism. Therefore, my speech is a little slower than it would otherwise have been.

Hon. Mr. Elgie: It has not shortened the length.

Mr. Rae: No. I am saying it took me longer to give the same speech than it would have done otherwise. That is why the minister should pray for my health every day.

With those remarks, I will close. I just want to assure the minister that we will not be calling this one a day, either tonight or tomorrow, until the public inquiry is called. Even then we will still have some questions. It is now up to the minister to respond to what I think is a concern; not simply a partisan concern but one which is widely shared throughout the province.

Mr. Cunningham: Mr. Speaker, as I have reflected on the details surrounding the latest example of abject negligence, if not incompetence, in this ministry, I find it has been useful for my purposes to examine some of the documents that I have found in my Astra/Re-Mor files from the past. These are documents which I believe serve as an indictment of the operations of this ministry, which has an obligation to protect the public.

The first item that I came across in my file was a reference made not by Liberals, not by New Democrats, but by Mr. Justice Anderson of the Ontario Supreme Court in a decision dated

February 8, 1979, commenting on the failure of C and M Financial Consultants. Mr. Justice Anderson, who was not partisan, of course, said:

"Indeed, it would not be too far to say that the evidence suggests that Mr. Montemurro dealt with the funds of the respondent C and M, comprising the investments made by various individuals, as he would have dealt with his own money and without in any way being inhibited by the fact that they were company moneys received by that company in the course of a transaction in which the investor thought he was investing in mortgages, and likewise uninhibited by his fiduciary obligations. All of the classic indices which have attended many a previous financial disaster are present in this case."

Not long after that, we were fortunate enough to get this matter of the failure of Astra and Re-Mor into the standing committee on administration of justice. This was due to the fact we had a minority government situation which allowed a much higher standard of protection for the public. The committee was ably chaired by my friend the member for Etobicoke (Mr. Philip).

At that time there was a great deal of press. I can recall, in what I am sure was an objective and well-intended column, my good friend Mr. Hugh Winsor indicating that perhaps we were involved in a witchhunt. He was saying our attention in this regard was ill-advised, in view of the fact that the matter was before the court. It did not take Mr. Winsor too long to come up with a different view, as reflected in his January 1981, column, where he said, in part:

"One of the purposes of this column is to congratulate the members of the justice committee for the careful way they have proceeded to uncover these shortcomings without disturbing the legal minefield that so concerned Attorney General Roy McMurtry and the Ontario Securities Commission." I remember the chairman at the time indicated he would resign before he would appear before our committee—two years ago this very moment.

9:30 p.m.

"The material Mr. McMurtry's officers have deemed 'sensitive' to the criminal prosecution of Mr. Montemurro which is going on at this moment has not been made public by the committee, nor has there been any disclosure of confidential sources so that the concerns of the OSC investigators would be recognized.

"What has been disclosed, however, is the extensive evidence of shortcomings on the part

of the government and the apparent breakdown of communication within its branches that stretch credibility to the breaking point.

"In retrospect, it seems clear the agonized opposition of Mr. McMurtry, and to a lesser extent the opposition of Consumer and Commercial Relations Minister Frank Drea, was not only prompted by their concern for the legal aspects of the case; they were hoping to avoid the obvious political flak as well as the not inconsiderable inconvenience the hearings and production of documents have caused to them and their officials.

"The hearings are far from over and it is too soon for a definitive assessment but it is possible to make some other general observations. One is to note the directness and precision of the two investigators who have testified in comparison with the mushiness of evidence given by the bureaucrats to whom they reported in that ministry, Allan Coleclough, former police detective, etc., and Dennis Bigham." Tribute was paid, of course, to both of these men.

Mr. Winsor concludes his article by saying: "Without apparent concern to where the chips, in terms of bureaucratic or political careers of their superiors, may land, they spelled out in detail how they had assembled and presented the information about Mr. Montemurro's shaky financial footing. The ministry officials had warned against granting the Re-Mor licence. Moreover, they backed up their stories with notes, affidavits made at the time. Despite these warnings, Re-Mor got its licence and soon after 320 investors lost their money, many of them losing their life savings."

On February 2 or thereabouts, an election was announced. Moments before that election became reality and the work of this committee ceased, our committee was able to file our interim report. I think it is useful to get it on the record.

In part, the committee indicated: "The committee regrets it has been unable to complete its inquiry. It believes a great deal of information remains to be placed on the public record, information which would clarify what went wrong in the Montemurro affair and why. It believes on the basis of the documents available to it but not yet in the public record that this information would not place the government in a favourable light.

"The committee believes on the basis of evidence received thus far that serious maladministration of the relevant provincial laws has occurred with respect to protecting the public

against the activities of Carlo Montemurro and his various associates and corporations. It notes that a wide-ranging criminal investigation is currently under way in this regard." It is yet to be concluded.

"While the administration of the relevant federal laws is beyond the jurisdiction of the committee, it has received evidence indicating that political influence was exerted on federal officials to incorporate and license Astra Trust as a federal trust company. The committee invites the Parliament of Canada to examine the transcript of its proceedings and to take such action as it deems appropriate."

Mr. Rae: The Liberals would not let us.

Mr. Cunningham: The Liberals here had the courage to do it. I say that to the member as objectively as I possibly can.

"The committee is also of the opinion, based particularly on the evidence of John Clement, former Minister of Consumer and Commercial Relations and former Attorney General of the province of Ontario, that political influence was exerted on provincial officials to obtain a provincial registration for Astra Trust.

"The committee has no hesitation reporting its view on the basis of evidence so far that the government of Ontario should compensate forthwith those members of the public who lost money in financial transactions arising from the licensing of Re-Mor Investment Corp. as a mortgage broker. This compensation should include appropriate legal costs such as persons have incurred up to the date compensation is paid.

"The committee recommends that its inquiry be continued and completed should the Legislature and committee be now dissolved either by mandating the standing committee on administration of justice constituted by the next Legislature or by constituting a royal commission of inquiry."

Not long after that, commenting in the *Hamilton Spectator*, the member for Burlington South (Mr. Kerr) said on March 4, 1981, speaking of the inquiry: "'You have not had so many people within a ministry admitting some mistakes,' the Burlington South MLA said. 'The government obviously has to look at its laws so that similar situations will never happen again. It has to do a lot of housecleaning in the ministry. The government also has to create some type of new apparatus to compensate people when similar situations do happen. For that reason the justice committee should be allowed to finish its work and make a proper report after the election.'"

Perhaps Mr. Kerr is the Jeane Dixon of the Conservative Party, I do not know. Perhaps there was some sense of premonition on his part.

The harsh facts of reality are that as a result of the events of March 19 our committee work was stopped. Not only were we not able to comment on what went on and what events led up to the licensing of Astra and Re-Mor, but on what positive steps we could have taken, as a Legislature, as elected members in our constituencies, responsible to the municipalities who have deposited money in these corporations and to the individuals, to ensure it would never happen again. Too many of those speeches involved the famous phrase, "To see that it never happens again."

On March 12, 1981, Mr. Barry Brace, vice-president of Deloitte Haskins and Sells Ltd., receivers for Re-Mor Management Corp., tabled in a press release their recommendations pertaining to their interim report. I am sure the minister has seen the attachment. Most certainly his deputy, Mr. Crosbie, would have seen it because it included a letter dated February 24, 1981, addressed to Mr. Crosbie and to Richard Humphrys, superintendent of insurance in Ottawa at the time, and to Mr. John F. Close, president of the Canada Deposit Insurance Corporation. All three of these individuals were notified.

I will not bore the members with all the details of his report but I would quote some relevant parts in the hope that the minister will take note of them in the event that Mr. Crosbie has not favoured him with these comments. In part they said, "With respect to any allegations of negligence by the two levels of government in licensing and regulating Astra Trust and Re-Mor, we are led to conclude:

"1. There were facts available to various government officers which, if they has been properly integrated, would have suggested that neither Astra Trust nor Re-Mor should have been licensed.

"2. There were from the beginning repeated incidents, breaches of undertaking, breaches of license conditions which indicated a clear and present danger that the principals of the trust company were functioning without any concept of fiduciary obligation.

"Opportunities presented by these warnings to conduct a thorough investigation, rigidly control the operations, correct the improprieties or ultimately close the operations were not taken.

"Decisive action was not taken by any level of

government in the face of these repeated opportunities until the depredations were too far advanced. There was jurisdictional confusion between the responsibilities of different levels of government as well as those of different departments and authorities. This confusion was a major contributor to the damage that occurred."

Then in this paragraph, which should be indelible in the mind of the minister, and very certainly I would think his deputy, Mr. Crosbie, Mr. Brace said:

"We are of the view that there is an urgent need to review both the legislative framework and the operating procedures concerning the regulation of these types of financial intermediaries." This is dated February 24, 1981, almost two years ago. These are the comments of the objective vice-president for the receiver for Re-Mor.

People are still waiting for their money, people are still waiting for the Premier to make good on his election promise that there would be a quick and expeditious and fair hearing to deal with their concerns.

After the election results of March 19, we returned to the Legislature and we asked the new minister in charge, the member for London South (Mr. Walker), who does not seem to be around too much any more, what he was going to do to straighten out some of these administrative difficulties. We asked how he would specifically deal with the promise that was made to these people.

The minister had some instant answers to everything. When questioned on this matter in the House on April 23, 1981, our answer to Ronald Reagan favoured us with this comment: "An alternative to more regulation that should be looked at is less regulation, coupled with fuller disclosure requirements. Would the Astra/Re-Mor investors have been more cautious if there had been a requirement of a clear warning of risk.

9:40 p.m.

These were not investors, they were depositors; that distinction should be made to that minister and, I think, to the Premier. I am mindful, of course, of the Premier's comments in the House on Monday in which he chose not to distinguish between an investor in the stock market and a depositor in a trust company or a bank. He either lacks that understanding or chooses not to understand; I do not know which.

We were not assured by the comments of the

then minister, he is now Minister of Industry and Trade (Mr. Walker), on June 11, 1981, in response to a question from my good friend the member for Ottawa East (Mr. Roy) on the subject of Re-Mor. He asked on that date:

"Finally, does the minister not feel he should give priority to protecting the citizens of this province against wasting of their life savings, rather than protecting the government or civil servants if these people have been negligent?"

The minister's reply is worth framing. He said: "Mr. Speaker, I think the government has demonstrated good faith by the fact that these matters are before civil courts"—they are still before the courts wasting millions of taxpayers' dollars and millions of dollars on behalf of the depositors who are having to litigate to get their money back—"that discussions are continuing between us and Ottawa"—that is the minister's grammar—"and that we ourselves within the Ministry of Consumer and Commercial Relations have taken a number of steps to attempt to rectify the situation that may have existed, imperfect though they may be. I think the fact we have been able to do that shows our good intentions.

"I should use this moment to tell the honourable members some of the things that we have done within our own ministry in terms of improving areas that we thought were not perfect—areas we thought should be rectified from the point of view of making for a better registration and licensing system.

"We now have much more extensive internal communications than we had before. This has been going on since last summer; so it has been in place for a good 10 or 12 months now. We are holding many joint meetings now between the financial institutions branch, the business practices branch and the Ontario Securities Commission, which previously was not the case." That came as a big surprise to us. "We feel that we have tightened up in that regard and that things are better there now because of the internal communications.

"We feel we have a new system in place for capturing potential problems and bringing them to the attention of top management and ensuring circulation wherever there is any kind of problem. So there is a lot of internal communication going on. We have much more frequent liaison with the police forces, and we find it is working well to turn up things and to share information. We have doubled our efforts in that regard. That has been going on since the spring of this year."

Next, the minister favoured us with something marvellous:

"We have something called a supplementary information list, which is a special computerized list of people who might be considered problem people. This is circulated and updated on a daily basis. We have a much more extensive investigation process today. We feel that we have done an awful lot of things and, frankly, many of the things the member"—our good friend the member for Ottawa East, who unfortunately cannot be with us tonight—"is suggesting are just not needed."

Isn't that a pip? That really is something. That is really profound—the "supplementary information list," the special computerized list of people who might be a problem. Is Mr. Cowper on that list? Would our good friend John Clement, QC, be on that list, or Lyon Wexler, or our good friend Mr. Rosenberg; that is, Rosenberg of Florida as opposed to Rosenberg of the Ontario Municipal Board? Would they be on that special list?

We now have a habit of introducing what I would characterize as the barn-door legislation. This is the kind of emergency legislation that we ram through the House in the course of three readings to help the ministry out of a bit of a pickle.

The first, of course, was our famous Co-operative Health Services of Ontario barn-door legislation, which went through in one day to help us deal with the problem that the member for Scarborough Centre (Mr. Drea) categorized as the situation where the company had been taken over by sharks. The harsh reality—I think I have one of the ministry's files on that matter—is that it had been a problem since 1974-75.

I want to go through the chronology of events leading up to the Re-Mor/Astra matter because the situation is exactly the same.

On January 13, 1980, the member for Riverdale (Mr. Renwick) and I raised the matter in estimates. We were told by the minister they were looking into it and they wanted to wind things down. We were assured by our good friend Mr. Bray, now retired, that everything was more or less in good order; and by the way, the member for Scarborough Centre blamed the federal government.

When the House resumed on October 7, 1980, questions were raised to him on the subject, and he blamed the federal government. More questions were raised on November 4; the minister again blamed the federal government. Ques-

tions were raised again on November 6, and he again found it convenient to blame the federal government. There were questions again on November 7; he blamed the federal government.

On November 13 the House asked the minister to table the Re-Mor documents. The then minister said he would do so on Friday, November 14, the next day, or November 17. On November 17, not having received it, the government was asked to refer the matter to the committee. The minister refused and invoked his famous sub judice doctrine.

He said he would respond on November 18 to our request. On November 18 the government was asked to table all Astra/Re-Mor files. The minister refused, invoking sub judice. On a petition of 20 members of the Legislature, I believe from both parties, the matter was referred to the justice committee.

The justice committee passed motions deciding to begin the Astra/Re-Mor investigation, inviting ministry officials as witnesses and requesting a Speaker's warrant for production of the Astra/Re-Mor documents. On November 20 there was a House debate on the Speaker's warrant. The House voted in favour, and the government voted in opposition. On November 24 the Speaker issued his warrant.

On December 2 the Ontario Securities Commission informed the Speaker of the House that in the commission's opinion the Speaker's warrant, which was directed to the Minister of Consumer and Commercial Relations, did not include the Ontario Securities Commission. Is it not an absolute riot that they would be exempt from that, at least in their opinion?

On December 3 the justice committee moved to set a deadline for the production of documents pursuant to the Speaker's warrant. On December 4 in the House a motion was put to set a deadline on the Speaker's warrant, and it was debated. A last-minute, very tense compromise was reached so that the documents would be handed over to a tripartite subcommittee to screen the documents, and this was agreed on by the House.

From January 5 to February 2, 1981, the committee met and conducted the inquiry until it was interrupted by the election, and not one member violated the doctrine of sub judice. To this date I do not believe that any effort has been made by a solicitor for any of the accused or anyone involved in the criminal prosecutions to indicate that their rights and privileges in that regard had been abused in any way whatsoever.

On April 23, after the election, contrary to the

promise made by the Premier, the government indicated that it would be using every legal defence available to the crown with respect to the Re-Mor investors' lawsuits. The government then indicated on April 27 that they would not allow the Astra/Re-Mor inquiry to continue; on it went.

That situation, of course, continues today. The efforts made by members of both parties to have this matter referred again to the justice committee, to get into the details of the failure and what events led up to it, were shot down by the majority Conservative government.

But in the press we had some comments by some people for whom I still have a great deal of respect, notwithstanding the fact that our political parties are not the same. On February 14, in the *Financial Post*, an article written by Miss Deborah Dowling says, "The Astra/Re-Mor reverberations raise sticky questions."

Our friend, who was the parliamentary assistant to the Attorney General and now is a superminister, the Provincial Secretary for Justice (Mr. Sterling), said: "I don't give a damn whether we are legally liable or not. If we are negligent, then we should pay." Of course, since that time the Ombudsman has found that we have been negligent and the receiver has found that we have been negligent, but the people who have been involved, the people who have required assistance, have not received the money to which they are entitled.

Indicated in that article were some rhetorical questions by the reporter: "Does the Ontario government have the power under the Loan and Trust Corporations Act to turn down an application for provincial registration from federally incorporated trust companies on the basis of public necessity or fitness?" A similar rhetorical question: "Similarly, can the Ontario government under section 137 impose terms and conditions on a federally chartered company?"

9:50 p.m.

The minister suggested today in the House that the matter has not been raised recently in the estimates. It has been raised many times by many individuals, inside this House, outside this House, by journalists, by the Ombudsman, in the courts, by Mr. Brace—we have all spoken about the litany of failure in this ministry and the need to take a look at things.

My quotes in the article of February 14 were as follows on the subject of the Mortgage Brokers Act: "We must take an entirely new look at who gets the privilege of being licensed. We must toughen the tests and we must strengthen

the auditing process." I also indicated that the Ontario Securities Commission no longer should be reviewed as a hands-off operation.

The Provincial Secretary for Justice told the *Financial Post*—although I guess he was not minister at the time—that tighter controls should be imposed on brokers who were syndicating mortgages and said the separation between mortgage broker activities and trust companies should be clear and unequivocal; and on it went.

The harsh reality is that the events leading up to the current situation did not happen overnight. The legislation, while I would say it is imperfect, certainly serves as a guidepost for the people within the ministry to maintain an introspective analysis of just what is going on in that ministry.

Our good friend the minister is taking the political flak for this, and I guess that is one of the reasons he has a car and driver and some extra emoluments. I do not deny him that. What I take exception to is the fact that this has gone on year after year, under the stewardship of the member for Brampton (Mr. Davis), who was able, as the captain of the ship, to take off to Fort Lauderdale. If he had an account down there, he would be given a great deal more protection under the Fort Lauderdale Loan and Savings Corp. than we have here.

Mr. Bradley: Was he in Fort Lauderdale? I thought only the Prime Minister was there.

Mr. Cunningham: He was on a working trip. The Premier was sitting on a large blue towel reflecting upon how nice it was that our good friend the doctor from York was taking all the political flak.

Mr. Rae: East York.

Mr. Cunningham: East York; well, I meant in the generic sense.

I happen to hold the minister in high regard, although his inability to deal with this matter in an open and objective way disturbs me no end. We have had the list, which includes Atlantic Acceptance, Argosy, Astra, C and M Financial Consultants, Re-Mor, Co-operative Health Services of Ontario—and I should stop there. The minister's release today, dated January 20, says, "Financial sharks preying on desperate." It looks like the Minister of Community and Social Services (Mr. Drea) has gone back to writing press releases for the ministry. The sharks are at it again.

The Leader of the Opposition and the leader of the third party are absolutely correct when they advance the view that the minister cannot

be expected to judge himself. The public requires that we have an open, objective, independent analysis of just what is going on in his ministry, and that can be accomplished only by a royal commission or by a public inquiry.

People are numb about these things. They have had enough of them. They are almost conditioned. They are as conditioned as I am to finding out the day after a game that the Maple Leafs lost. They are numbed by these things. There could be another one tomorrow, but they are numbed by these things.

It is simply not good enough for the minister to stand in his place, day after day, and say, "When I get the information, I will tell you;" or, "I don't really know at this moment, but when I find out I will let you know, and, by the way, thanks for dropping in." It is just not good enough. It is analogous to our friend Arthur Edward Martin Maloney commenting on the efficacy of the comments of our good friend Reid Scott and pronouncing that, in his own fine determination, everything is all right. It is simply not good enough.

There are more questions than there are answers in this. The minister, if he is going to discharge his responsibility, as we over here have been accustomed to have him do when we deal with him directly, will be well advised to establish that public inquiry and in the interregnum to endeavour to answer in this Legislature—not in the scrum out in the hall, not on some leadership tour, or wherever he may happen to be, but in his place in this Legislature—to discharge his responsibility and answer some of the questions that have been asked.

The minister should tell us just how often his registrar has been favoured with reports from directors under section 193 of the act. I know the minister, if he has not been brought up to date on the niceties of section 193, has been brought up to date through his attendance in the House. How often have directors of trust companies licensed in this province, who report to the registrar, written to that registrar and indicated their concern about the efficacy of some mortgage, bona fide or otherwise?

What is going on with Greymac Trust? I do not profess to have a great deal of expertise in this matter, but where is the money? Maybe that is too simplistic a question to advance. Where is it? If it is there, tell us. If it is not, when did it happen? As the leader of the third party indicated, when was the minister apprised of it? When did he know? How did it happen?

There are many trust companies that com-

plain about being overregulated. They complain about visits when ministry people come in, set up camp for the better part of a week and go through five-gallon cans of coffee and the books. How is it that with these operations those people would not have spotted it? Most important, and finally, what administrative and legislative steps is the minister taking today to see that it never happens again?

I think there is a limit to the time that members of this House will endure the minister's stonewalling. I use the word advisedly, because if I said "coverup" I believe there is a precedent based on some experience last year that would cause me to have to retract it or to leave the assembly, which I would not want to do. How long will the assembly or the public tolerate or endure the minister's stonewalling on this issue, notwithstanding the fact that we all hold him in very high esteem and warm regard? I would say there is a limit to just how long we will tolerate that.

The minister has a responsibility to stand in his place at the earliest opportunity and bring us up to date on just what Mr. Morrison has found. I have no argument with Mr. Morrison, but it is apparent to me that after only three or four days' visitation in those facilities, he was sufficiently concerned that he went back to the minister and said: "We need some legislation. We have to get our act together because there are some things that are wrong and not right in these situations." How could Mr. Morrison determine that in a very short period of time while the ministry officials, albeit with an act that needs to be updated, could not determine it?

That is something that must bother the minister profoundly, because he is taking the political heat for this. He is responsible. In my own way, I would prefer the first minister of this government to take that responsibility.

If the ship goes on the rocks, it is not the cook who answers for it, it is not even the navigator who takes the responsibility; it is the captain of the ship. Our captain sits there blithely, not able to distinguish the difference between an investment in the stock market and a deposit in a loan and trust corporation.

Mr. Charlton: Did you say Captain Bligh?

Mr. Cunningham: I did not say that.

I have nothing more I would like to add at this moment. I hope the minister has been listening. I know my good friend his deputy has been listening. Maybe the deputy will take the minister a copy of the interim report from the receiver for Re-Mor and let him go over those

comments, or maybe even look at the final report, which members of the Legislature have not been able to see because there is a court order banning it.

We mere mortals over here have not been able to see that, but I am sure the minister has seen it. I am sure he has gone through the Ombudsman's report in great detail, and he must know in his own heart that his ministry is in deep trouble.

I hope by tomorrow, or Monday at the latest, the minister will stand in his place, announce a public inquiry and come clean on everything he knows to date about just what has gone wrong within his ministry and what immediate steps are being taken, legislatively and administratively, to ensure it does not happen again.

10 p.m.

The Acting Speaker (Mr. Cousens): Was there any sharing of time agreed on before this debate?

Interjections.

The Acting Speaker: I will recognize the member for Etobicoke. The third party has nine minutes left, and there are three minutes left for the second party, according to the table.

Mr. Philip: Mr. Speaker, only a few nights ago I spoke extensively on the topic we have been dealing with tonight. Therefore, I want to change the subject and deal with a matter that is of concern to me, a matter I have been dealing with over the past few years with the two previous ministers.

The minister is well aware of the controversy that surrounded the introduction of the Condominium Act and of the opposition our party had to certain sections of that act. It was only after a very long and prolonged threat of lawsuits by the Etobicoke condominium association and other condominium associations that certain parts of that act were not proclaimed. Indeed, they still remain on the books. In condominium circles there is still a concern by condominium owners that those sections have not been repealed. I suggest to the minister that he would relieve some of the anxieties among condominium owners and those who are managing condominiums were he to deal with that problem at least.

I am also concerned that there have been certain cases dealing with certain sections of the Condominium Act where the decisions have not been to the advantage of the condominiums or indeed consistent with the intent of the legislation. In particular, I am sure the minister will be

concerned about some recent cases in November related to section 49 of the Condominium Act. Section 49 provided an expeditious manner for condominium boards or condominium owners to deal with conflicts in a way that usually was not as costly as other, more prolonged legal procedures. I suggest the minister will have to look at the act and bring in the necessary amendments so that those decisions that have been made on a technical basis do not thwart the intent of section 49 of the act.

I also want to deal with what may well be, if the minister is not very careful, the next scandal. We are now dealing with one that is a present problem, a problem that we predicted at the time of Re-Mor, on which the minister's predecessor unfortunately failed to act. In consequence, we are in the situation we now find ourselves with the trust companies and Cadillac Fairview. I want to go on record to predict that we are going to have a major scandal in the condominium field.

We are already seeing evidence of that in terms of time-sharing. Time-sharing is literally the condominiumizing of condominiums. In Maryland in the United States we already have the first major scandal of alleged fraud in the time-sharing area. It seems reasonable that if the minister is going to deal with the whole problem of regulation and management of condominiums, it is even more important to deal with it in an area that is more abstract and removed from the purchasers, as time-sharing is.

As the minister will well know, because I am sure at least he has read the Condominium and Timesharing Magazine, I was one of the speakers at the second national Canadian condominium conference. At that time, we dealt with three essential resolutions, and they bring to the minister three essential problems that we are facing in condominiums.

One of the problems deals with the whole issue of absentee landlords. Absentee landlords have increased substantially over the years, particularly in condominiums where the proportion of tenant-occupied units is high.

Of principal concern to delegates and managers at that conference was the question as to whether absentee landlords or owners should have a certain responsibility to the condominium corporation. An even more important concern, I guess, was whether tenants should be directly accountable to the condominium corporation. I am sure the minister is aware of legislation in Alberta that has dealt with that.

The minister is also aware that in this province, where condominiums have attempted to charge absentee landlords a fee, that has been thrown out by the courts. That is why I introduced my private member's bill, which would allow condominiums the specific power to charge a fee for those who buy condominiums and rent them out rather than occupy them.

The minister has not dealt with that problem. It has been brought to his attention and to the attention of his predecessors but, now that this court case has dealt with it for him, it is surely important that he deals with the issue.

Another matter that has been of concern is the whole issue of the condominium property management industry. It seems fairly obvious that there is a need for the registration and licensing of condominium managers. I have suggested one form in the private member's bill I introduced; but whatever the form, when there is almost unanimous agreement that there is a distinct profession called the condominium manager, there is a need for licensing and bonding of those people.

We are talking about people who are handling millions of dollars in some cases. We are going to be facing a scandal of someone walking away with some of that money. Is it necessary, then, that legislation comes in only after there has been a major loss of funds or major errors because of inexperience or unknowledgeable people operating in this field?

Those are some of the issues that were dealt with at the conference, and those are the resolutions that were passed. Indeed, they were also passed by the North York condominium committee that recommended the Minister of Consumer and Commercial Relations should do a review and adopt some sort of regulation of management companies.

I trust the minister will look into this. We are going to have a major fraud in this industry unless he looks at its regulation, co-operating and working with the industry to develop appropriate changes to the Condominium Act or to other acts he may wish to bring in as parallel acts.

Mr. Bradley: Mr. Speaker, in the three minutes I have available I am not going to be repetitive of the excellent speeches that have been made by opposition members this evening on this entire matter. Rather, I will zero in on one or two aspects of it very quickly.

I want to re-emphasize a point well remembered by those of us in opposition who worked so very hard on the Re-Mor inquiry and attempted

to have it reopened. We remember the then Minister of Consumer and Commercial Relations, the present Minister of Industry and Trade, indicating that all was to be fine, that the administrative changes were made and that in essence we could not have another Re-Mor and Astra Trust.

That is why we look with a rather jaundiced eye at the reports from the present Minister of Consumer and Commercial Relations when he says many of the same things that we as a committee said, and we as opposition members said, some time ago. The government obviously did not learn from its mistakes in the Re-Mor and Astra affair. It has not learned from mistakes previous to that. They characterize themselves as great managers, but they have failed once again to manage the financial institutions through their supervision of them.

I must take issue with the Premier's remark about the stock market. Either it was a gaffe when he made that reference or it was a calculated effort on his part once again to insinuate—as he insinuated about those who invested in Re-Mor and Astra—that those who have invested in trust companies were somehow similar to those who took their chances on the stock market. That argument can be very compelling from those who do play the stock market, but it is entirely different. I plead tonight with the minister, just because he is dealing with the Greymac-Cadillac affair not to forget those people who are involved in the Re-Mor/Astra Trust affair, most particularly those strictly under his responsibility, the Re-Mor depositors.

10:10 p.m.

I received a letter that I will attempt to read into the record, not in a self-congratulatory manner but to indicate the strong feeling of those who have been affected. It says:

"One point which should be brought forward is the fact that the lawyer representing some of the St. Catharines investors is being paid by the province. To say the lawyers are satisfied with the progress in the matter does not mean that the investors are happy. The lawyers are young and have many years ahead of them. Time is running out for some of us. My husband was 83 on January 4. Because he had polio at age five, with resulting amputation of his right leg at age 23, he now walks with great difficulty and his sight has failed.

"When the rumour of the collapse of Re-Mor first came out to us in 1980, I wondered how we could live, how we would face up to Christmas

and so on. Even minimal interest on the investment would help us to live better, and I am sure there are many Re-Mor investors who could make use of the money. Last fall we attended the funeral of one of the Re-Mor investors. Actually, he was young compared to us. Well, his worries are over, but ours are here."

She goes on to say in the final paragraph, and I am not quoting the whole letter: "I refuse to give up the fight. There will be another election and we hope that some of us live long enough to be once again heard. Thank you for going to so much trouble for us."

I just plead with the minister in my final sentence to provide for those people the justice they have sought for three long years.

Hon. Mr. Elgie: Mr. Speaker, my summing up remarks will be brief. I am glad that the heater is on that side of the room. It certainly blows the air around a little bit. I am pleased to see that members on this side are sturdier and do not need that extra heat supplied for them, but we felt that the additional hot air should be placed over there where it was needed.

First of all, if I may respond to some of the remarks by the member for Kitchener (Mr. Breithaupt), I will start by saying that I think once again he has approached the matter, as he always does, in a general way with the kind of stature he always tends to have. He strayed a little bit here and there; somebody gave him some notes, I suspect. He did not prepare them himself, did he? Really?

Mr. Breithaupt: I think most of them, as usual.

Hon. Mr. Elgie: Most of them. I thought not, because as I read the dates and all of that stuff I really did not think he intended to put it all the way it was written. Here at one stage he was saying, "Here we are, from October 26 to November 16, the media and the opposition calling for a public inquiry." Yet on November 17, the day after I had appointed the Morrison examination, the Thom royal commission, all of those things, just what was said? "Usually the government appoints a royal commission or whatever," criticizing us for a habit we are supposed to have of appointing royal commissions—November 17, his leader.

We are constantly being criticized, as my colleagues know, for trying to put everything under the cover of a royal commission. I remember when I appointed the Royal Commission on Health and Safety Arising from the Use of Asbestos in Ontario. My goodness, the

hue and cry: "Why don't you just face the problems?" That is exactly what I am doing here. I am facing the problems in an expeditious way, which I say to the honourable member quite frankly—

Mr. McClellan: Whatever happened to the royal commission on asbestos?

Hon. Mr. Elgie: No, keep your foot in your mouth, where you had it this afternoon. You looked comfortable that way, and the room was so quiet for a while. I didn't understand it. Why didn't you speak up?

Mr. McClellan: If it was so righteous, why did they put the money back?

Hon. Mr. Elgie: Never mind. At least you didn't go outside and say—no, I know. You didn't say anything, either. I understand that.

But here we are. We have the Morrison inquiry going on. We had the registrar with accountants, while they occupy these businesses, carrying out a total review of their activities and records. I would suggest that kind of documentation and record, the kind of factual account that I think it is important I bring to this Legislature, not a day-by-day flow of little tidbits, as some in this House have tried to encourage me to do and as others, I suggest, have done, but rather to come when I think there is information that is reasonably well documented and would be informative to the public and not simply there for some other reason that I do not understand and I suspect the members do not understand either. That has been the approach I have tended to take.

One other remark I wanted to draw to the attention of the members is that it was suggested that Greymac had been in this sort of business since 1980. Let me remind members that Greymac did not exist until late 1981. It was Macdonald Cartier Trust Co. before that and it was acquired in late 1981. Let us not try to stretch it any more than the member's leader is trying to do. Do not outdo him in that regard.

I think it is fascinating that, as the member said in estimates, clearly the area of concern is the activities of the government with respect to rent review. He saw that as the major issue at estimates. I do not say it critically, but let us be frank about it. Members came alive after this government appointed a special examiner to look into the affairs of these trust companies. From that point on, it was a daily revelation using a retro-spectroscope, but not a word was said about it before then.

There were no comments on the draft bill that

was submitted over a year ago, no comments about a federal white paper and whether we were looking at anything all through the fall, and no questions about financial institutions from either party in estimates from November 17 until December, whenever.

Two things for sure occurred. We were criticized on November 17 for appointing a commission to look at something. They said: "You always try to cover things up with royal commissions. You should not be doing that." Now we have a different approach, they say, "You should be doing it." In spite of the fact that we have the Solicitor General (Mr. G. W. Taylor) reporting some endeavours, we have the registrar in possession of the companies carrying out a thorough review and we have the Morrison special examination, above all we need something more now even though we did not need anything before because it was not necessary.

We are being criticized as well in Hansard for investigating—remember this, for investigating—if we have no evidence of untoward or criminal activity. They said, "You should not have done it," and now they are saying, "You should have done more." I do not know. Really, sometimes one wonders if there is a political reason for these things, but I do not think so. I am not one of those who believes that this is a partisan arena we live in, neither is the member for St. Catharines. Is he? Or does he think there is some partisanship?

Mr. Bradley: I am never partisan.

Hon. Mr. Elgie: I thought that was right. Having said all that, because it has been mentioned several times that an internal review of administrative practices and procedures would not be acceptable, let us recall that is not quite what I have ever said. I have clearly said that the first step is an administrative review carried out internally by people not in the financial institutions division, to be followed by an external review if there is reason to do so.

If there is not, then there will be a report to this Legislature on the results of that internal review. I wish that those members, in their present desire to have a royal commission, which is opposed to their past desires not to have one, would understand that was the statement I have made on many occasions.

The member for York South (Mr. Rae) made many thoughtful remarks. He made them when we debated some of these issues in December. I indicated very clearly that those were issues that would be included in a white paper, a white

paper which, quite frankly, is being given very high priority, the highest of priorities. There are many issues around in life, but I see this as a very important issue because it goes to the very heart of the integrity of financial institutions in this province and in this country.

We now have, and I say thank you to the two opposition parties for their co-operation, powers in our present act which exceed the powers that any other province or the federal government has. I do not say that critically of them, but it is a tribute to this Legislature that the leaders of the two opposition parties recognized that the government could conceivably need some powers to deal with problems and have responded to that.

10:20 p.m.

Mr. McClellan: We were just trying to bail you out.

Hon. Mr. Elgie: The member should not let anybody know he is helping me. That sometimes does me more harm.

I have heard so many times in the past few days that ever since the collapse of Atlantic Acceptance there should have been a message about tightening up. I do not profess to be the world's great authority on what happened following Atlantic Acceptance, but I do know there was a royal commission and I do know there were a fair amount of remarks about trust company legislation revision.

As a result of that there were changes in the borrowing multiples. There was added to the act the right to demand information from companies. There was the power to take possession and to rehabilitate a company, but really not much else came out of that. Indeed, there were no recommendations such as the recommendations we put before the two leaders of the opposition parties in December.

The interesting thing I found was that Mr. Justice Sam Hughes recognized the vast majority of companies were law-abiding and that we should not overreact to one or two bad people. Using that retro-spectroscope, we now have to realize one at least has to have the power to deal with one or two bad people.

Others have referred to the select committee on company law and its views about trust companies. There was no particular problem at the time and it is interesting. I admit I picked these out selectively and there may be very good things in the recommendations, but it is interest-

ing their recommendations would have reduced the controls.

Mr. Renwick: No, they would not.

Hon. Mr. Elgie: No. Because of their concern about the discretion in granting letters patent, they wanted full and open hearings. To that extent, I say frankly, because that was the issue we dealt with in that bill last December—

Mr. Renwick: Read about the annual licensing provisions.

Hon. Mr. Elgie: They wanted a full and open hearing process. They wanted to free up the liquidity rules. It is true none of those things have been dealt with, but I would say to the member for Riverdale that neither did their recommendations deal with the problems now facing us.

Mr. Renwick: What about the resources part of the report; the need for additional staff, the need for additional resources?

Hon. Mr. Elgie: They did not deal with the recommendations we put before this House in December which allow us now to deal with the problems facing us.

The member for York South suggested that over the months I was neglecting the issue of acquisition of existing trust companies. I can only say that was not an issue that was dealt with in any of those reports, but it was certainly an issue that became apparent to us.

He also indicated I should show a great deal more openness about why we wanted that, and what companies we were after and what people we were after. I can say quite frankly we have had no one apply to us for registration and approval for transfer of a trust company since the bill was passed. If there is, I will give some thought to discussing it with the member in a more open way, but he would hardly feel I should discuss situations where there has not been an application. Do we really want to stretch the arm of the possible out that far, or shall we confine it to cases where people apply and consideration is given or refused?

On careful thought, I think that is probably what he wants and not speculative activity about things that never came to be or maybe never would have come to be.

We certainly agree about the need for a white paper. We agree about the need to have it cover a broad range of issues and I think the member will agree that we always do tend to try to follow and keep up with, and frequently be ahead of, other legislation.

Those involved with the Business Corpora-

tions Act last year know that in many cases we have kept a little ahead. I like to think in our Human Rights Code and our Securities Act we have been a little ahead. It does not give me any trouble to try to produce a white paper with recommendations that are in the forefront.

The member spoke quite honestly about some of the difficulties registrars must have and, without talking about any specific case, he spoke of the dangers of saying a company was in trouble—the run and all those things—and I agree with you. That is one of the problems that registrars have. But they also have the situation where they are right; there is something wrong that they feel can be corrected if it is not made public, because the very moment it is made public there is a problem. There is a run and the whole thing is over.

Often we find public disclosure of correctable, bad administration can be just as fatal as incorrect allegations of wrongdoing. I do not say that any of those are easy judgements. They are all very difficult judgements, but surely the member must acknowledge that at least they are decisions and problems that individuals involved in regulating institutions, whatever they be, have to carry as a burden. Certainly, our review that we are carrying out will help us to evaluate just how effectively we have been in walking that line and doing the right thing.

Again, I have outlined very carefully my views on the inquiries that are under way and my view that we will get good answers faster that will result in effective legislation in a much more expeditious way, in my view, than we would by holding a public inquiry.

I do not have much time left but I do want to comment on one aspect of the member for York South's comments when he referred to the role of McMillan Binch and the question of Mr. W. A. Macdonald and Victoria and Grey, because I

hope it is a remark that is made out of a lack of knowledge about the relationships that certain people can have in life.

Mr. Macdonald and I have made it very clear at the beginning that he had advised me he had a potential conflict of interest that might arise some time in the future, because in those early days in December all of these things were never seen as ultimate ends.

We agreed that if it ever came to that, he would not take part in any of those discussions and, indeed, I believe it was early last week that I retained a separate and outside counsel to deal with matters related to any potential acquisition of the trust companies by any outside persons.

Let us not try to leave any suspicion around that we were not diligently trying to make certain that no conflict of interest ever was presented as a problem. Quite frankly, if one goes around this city today and talks to a law firm that may or may not want to take part in assisting the government in an endeavour like this, one will find very few who do not have some potential conflict with some of the parties somewhere along the line. I say that quite honestly.

In any event, I think I can conclude my remarks by saying I appreciate the remarks that have been made. I will review the member for Etobicoke's remarks about condominiums because I think we may have a common interest in looking at some of those issues. I assure the member for St. Catharines (Mr. Bradley) that I have not forgotten the Re-Mor depositors.

Thank you, Mr. Speaker, and may I move that the concurrence of these estimates be adopted.

Resolution concurred in.

The House adjourned at 10:30 p.m.

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- Elgie, Hon. R. G., Minister of Consumer and Commercial Relations (York East PC)
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- Piché, R. L. (Cochrane North PC)
- Rae, R. K. (York South NDP)
- Renwick, J. A. (Riverdale NDP)



No. 188

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Friday, January 21, 1983

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Friday, January 21, 1983

The House met at 10 a.m.

Prayers.

ANNIVERSARY OF UKRAINIAN INDEPENDENCE

Mr. Shymko: Mr. Speaker, I wish to draw to the attention of all honourable members that this weekend more than 500,000 Canadians, half of them residents of this province, will be marking the 65th anniversary of the proclamation of the independence of the Ukraine, which occurred on January 22, 1918, in a part of the world where, today, the problems of freedom, liberty and justice still are major areas of concern and confrontation. In the solutions towards world peace and world sanity, that area still will be playing a major role.

This anniversary is particularly unusual and different this year, because it is also celebrated in conjunction with an anniversary of one of the most horrifying periods in the history of humanity, namely, the great famine that occurred 50 years ago in that part of the world. I wish to draw to members' attention that these celebrations will take place this weekend. The 50th anniversary of that famine will be marked throughout the year. Within seven or eight months between 1932 and 1933, more than seven million people perished, which is almost the population of the province of Quebec.

It is by marking such tragedies and such events that we remind all of humanity that the problem of evil and those unfortunate moments of great cataclysms are sometimes perpetrated, not as a result of natural catastrophes but often as a result of political aims and political goals.

We, as lawmakers and legislators, should always be vigilant. Be it the great tragedy of the Nazi holocaust, the tragedy of the Armenians or, as in this case, the tragedy of seven million Ukrainians who perished within eight months—75 per cent of them, which is close to four million, children—these are moments that remind us that vigilance for the freedom and the right to live of individuals and, collectively, of peoples is a concern of all of us as members of the human family.

I thank you for this opportunity, sir.

ANNUAL REPORT, REGISTRAR OF LOAN AND TRUST CORPORATIONS, 1979

Mr. Speaker: Before embarking on the routine proceedings, I wish to deal with a matter raised yesterday by the member for Riverdale (Mr. Renwick), who tabled a petition pursuant to standing order 33, petitioning that the statutory annual report of the registrar of loan and trust corporations for the year 1979 be referred to the standing committee on the administration of justice.

Mr. Renwick: Mr. Speaker, it is with great respect that I rise. I do not want to be place you in the position where you make a ruling on this matter and then you place me, sir, in a position where I have to consider whether I should challenge your ruling. I have no problem, of course, if it accepts the position that I put forward. However, I have a problem about you making a ruling about the rules of the House without me having an opportunity to express my reasons for it if your ruling is going to be adverse.

I recognize that is rather a catch 22. I did, however, yesterday indicate that I wanted an opportunity to place my reasons for the petition, why I believe it to be in order. I had anticipated that a member of your staff, sir, or yourself, might ask me for my views, either privately or otherwise, with respect to this, so you would understand that I do not embark upon these procedural rules lightly. This is a matter that is of utmost concern to us.

Mr. Speaker: It is indeed; it is a very important matter, and I thought you had made your views quite clear in presenting the petition.

Without attempting to prejudge the matter, is it the wish of the House that I proceed with this ruling, or shall we leave it in abeyance?

Hon. Mr. Davis: Let's leave it for a couple of months.

An hon. member: Could you give us a clue what the ruling is?

Interjection.

Mr. Speaker: How will they ever know?

I have read standing order 33(b) very carefully and find that as this is an annual report to

the minister required by statute, the standing order requires the minister to present it to the House before consideration of his estimates.

I therefore find the petition to be in order as far as and including the word "justice." That is, the petition should simply read: "Pursuant to standing order 33, we the undersigned petition to refer the statutory annual report to the Minister of Consumer and Commercial Relations of the registrar of loan and trust corporations for the year 1979, being the latest such report presented to and laid before the House, to the standing committee on the administration of justice."

The remainder of the petition as tabled is extraneous, not contemplated by the standing order, and is therefore out of order. It is the duty of the committee, of course, to decide what will be considered within the confines of a report referred to it.

10:10 a.m.

STATEMENT BY THE MINISTRY

ONTARIO TECHNOLOGY CENTRES

Hon. Mr. Walker: Mr. Speaker, I am pleased to report to the House today that, as of February 8, all six of Ontario's technology centres will be open for business.

As members know, three centres already have been launched; they are the Ontario Centre for Microelectronics in Ottawa, the Ontario Centre for Auto Parts Technology in St. Catharines, and the Ontario Centre for Resource Machinery in Sudbury. At those three, work is well under way on a variety of programs serving the respective industrial sectors.

I am now able to announce the opening dates of the three remaining centres.

On January 31, the Premier (Mr. Davis), my colleague the Minister of Agriculture and Food (Mr. Timbrell) and I will open the Ontario Centre for Farm Machinery and Food Processing Technology in Chatham.

The following day, February 1, in Cambridge, the Premier and I will open the first of two advanced manufacturing centres—the Ontario Centre for Computer-Aided Design and Computer-Aided Manufacturing, or CAD/CAM for short.

Finally, a week later, on February 8, the Premier and I will open the other advanced manufacturing centre, the Ontario Centre for Robotics in Peterborough.

Naturally, all members are most welcome to

attend these official openings and probably have already received their invitations.

In the case of the Chatham ceremony on January 31, any members unable to attend may wish to view a live video hookup between the centre and the main lobby of this Legislature.

At the other two openings, there will be major displays of the technology; indeed, at Cambridge we expect to have one of the largest displays of computers applied to manufacturing ever assembled in Canada. In fact, I dare say it will be the largest display ever put together in Canada and perhaps one of the largest in North America ever put together under one roof.

As members know, the six centres come under a \$110-million, five-year technology program administered by my ministry and funded by the Board of Industrial Leadership and Development, whose chairman is the Treasurer (Mr. F. S. Miller).

Collectively, the centres, along with the Innovation Development for Employment Advancement Corp., will foster and provide practical assistance towards the adoption of modern technologies which will increase the productivity of Ontario industries and enable them to remain internationally competitive.

I wish to report briefly on the three centres that will be opening soon. First, I am pleased to report that BILD has accepted in its entirety the business plan and proposed allocation of funds for the Ontario Centre for Farm Machinery and Food Processing Technology. The money requested and approved is in excess of \$10 million over five years, most of which will be spent not on physical plant but on programs and professional expertise of direct benefit to that industrial sector.

In the farm machinery part of its mandate, this centre will concentrate on the development of secondary equipment, farm materials handling equipment and specialty crop machinery. In the food processing area it will focus primarily on fruit and vegetables and will actively promote the use of microprocessors to increase productivity through automation and control. The centre will have a pilot plant to demonstrate both equipment and process technology. It will also mount educational and training programs to advise farmers, equipment manufacturers and food processors of the latest advances. We expect to be able to announce shortly the appointment of a board of directors and a president to run this centre in Chatham.

For the two centres for advanced manufac-

turing technology, BILD funding totalling \$36.7 million already has been announced.

The CAD/CAM facility in Cambridge will promote wider use of this computer-based technology, which allows manufacturers to perform complex design, engineering, manufacturing and inspection work more quickly and more efficiently. The result is improved product quality and increased productivity.

The facility in Peterborough, meanwhile, will promote the use of industrial robots and the growth of supportive robotic industries. It will provide consulting in robot applications and run demonstration and training programs, both in-house and externally for industry, students and the general public.

Members may be aware of the appointment earlier this week of Mr. Kenneth Jones as president of these two centres for advanced manufacturing. Mr. Jones, who formerly was president and chairman of the board of Standard Modern Tool Co. Ltd., brings extensive background knowledge that will greatly assist Ontario manufacturers facing the decision to adopt these new technologies.

On the recommendation of the advisory committee, one president was chosen for the two centres because they are so closely allied. Each centre will have a senior general manager.

Earlier this week, also, we were pleased to name Mr. James Wade as president of the Ontario Centre for Resource Machinery Technology in his home town of Sudbury. Previously president of his own engineering and project management firm, Mr. Wade will apply equally distinguished credentials in this centre's service to the mining and forest industries of Ontario.

Finally in this update, I want to acknowledge the tremendous assistance provided by so many individuals in the private sector in bringing our technology centres from concept to reality. Whether members of original advisory committees, consulting firms or ongoing boards of directors, they worked unstintingly to perfect the business plans that are the blueprints for the centres' first five years of existence.

I have no doubt that the six technology centres will help move Ontario into a new era of technological advancement. By assisting our manufacturers to reap the full benefits of high-technology innovation and its industrial applications, they will contribute to renewed economic progress for us all.

CLERK'S WEDDING ANNIVERSARY

Hon. Mr. Davis: Mr. Speaker, I want to

extend to the Clerk of the House my congratulations and those of the government with respect to his 40th wedding anniversary, which will be celebrated on Sunday of the upcoming week. I wish to express on behalf of all of us our congratulations to the Clerk, and in particular to his wife, who quite obviously has exercised great perseverance, sensitivity and understanding for those 40 years.

FILM SCREENING

Mr. R. F. Johnston: Mr. Speaker, while we are making announcements, and in the absence of the Minister of Community and Social Services (Mr. Drea), I am sure he would want me to let all members know that there will be a screening on Monday for all members and press gallery members of a speech he delivered at Bluewater Centre for the developmentally retarded last June, when he guaranteed their continuation because of all the fine work they had done. I am sure everybody would like to come and hear that on Monday; I will give the members the date.

ORAL QUESTIONS

DEPOSITORS' ASSETS

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations. The minister is no doubt aware of the press reports this morning pointing out a situation that has worried me for some time. It appears, according to press reports, that there is \$125 million missing, unaccounted for, untraceable or looted in this complicated series of transactions. Will the minister confirm or deny those press reports of this morning?

Hon. Mr. Elgie: Mr. Speaker, I do not wish to associate myself with the references the honourable member made to the money involved, nor to those who may have put it forward. May I also say that since this is an issue that is currently before the Morrison special examination with respect to which people are under oath, I am not prepared to comment further at this time.

Mr. Peterson: So the minister is going to continue to stonewall even though it appears there is a sieve somewhere in this series of transactions.

The minister is aware that a number of rent cheques come due at the first of the month. Because he either does not know or is not prepared to tell us or the tenants, will he

consider setting up a trust fund on an emergency basis to handle those rent cheques that are coming due to make sure those apartments are maintained until this whole business is sorted out?

Hon. Mr. Elgie: As I said yesterday, I am quite aware of the concerns of the tenants and issues in that area are being actively considered at present. I have no further information to give the Legislature at this time.

10:20 a.m.

Mr. Rae: Mr. Speaker, I am delighted that New Democratic Party policy on Tuesday becomes Liberal policy on Friday, but—

Mr. Kerrio: You are so far behind us you don't even know you are in the game.

Mr. Breithaupt: You'll never catch up on this one.

Mr. Speaker: Order.

Mr. Rae: It hurts; I know it hurts.

My question to the minister is simply this. He now has had time to ask his appointees, Mr. Shuve and Mr. Taylor at Greymac and Mr. Voelker at Seaway, a very simple question. It is not the complex question demanded of Mr. Morrison, but a very simple question of fact; that is, was the payment on \$152 million of third mortgages received, when due, on January 10? If that payment is in default in any sense, will the minister please assure this House that he will exercise his legal and moral obligations and take over as trustee of the apartment buildings, as we asked on Tuesday?

Hon. Mr. Elgie: Mr. Speaker, as I indicated yesterday in response to that same question, clearly those are issues we are looking at. When I have information to provide to this House, I will do so. I am well aware of the questions, and I will provide the information when it is presented to me for presentation to this Legislature.

Mr. Peterson: This matter has been going on for some three months now. Thoughtful people were aware of complications even before that. Mr. Morrison has been in there for about two months. The ministry has had its special investigators in there for two weeks. How long is the minister going to take?

There are so many unanswered questions. The minister stands up in this House every day with great personal embarrassment and gives us no answers on this whole matter. Time is conspiring against him. When is he going to come back to this House with some answers on what is going on with respect to tenants' rights,

depositors' rights and all the other questions we have been asking?

Hon. Mr. Elgie: Let us clear the air a little bit. I do not stand, or sit, in this Legislature with any sense of embarrassment. I stand here on behalf of the government and say, quite frankly, that we have acted responsibly and prudently in the interests of the depositors, shareholders and creditors of those trust companies. That is our sole goal, and I trust it is the sole goal of the members of this Legislature.

I am fascinated that the Leader of the Opposition has belatedly come to the view that things should be done as expeditiously as possible, because he tends to change his position. On November 16, he said the typical way the government gets out of problems is by having royal commissions. On November 17, he said the typical way we do it is by royal commissions. The implication is that we should not delay things that way. Now he has flipped over and is on the other side.

I want to find out information, I want to find it out quickly and I want to make certain that the depositors, shareholders and creditors receive the kind of protection they deserve in this province.

Mr. Peterson: My friend is obviously feeling quite beleaguered. He will recall that at the time of the original Cadillac Fairview sale, we said it had to have a complete royal commission inquiry then.

Mr. Speaker: Question, please.

Mr. Peterson: The facts have substantiated that and have become even more complicated. The minister is three months out of the play at present. It has been a shoddy performance on his part.

Mr. Speaker: Question, please.

Mr. Peterson: I do not care what personal innuendo the minister wants to engage in. Anything he wants to say is fine.

Mr. Speaker: Order.

Hon. Mr. Davis: The member should be embarrassed. He is embarrassing some of his very good friends in the industry.

Mr. Speaker: Order, please. New question.

Mr. Peterson: I am embarrassing John Clement and Stanley Randall? Is that what the Premier is saying? Am I embarrassing his friends? Who am I embarrassing? David Cowper?

Mr. Speaker: Will the Leader of the Opposition please resume his seat?

Mr. R. F. Johnston: We want to see the list of friends and who has the most friends in the industry. Come on now, come clean.

Mr. Gillies: Friends are something that member does not have to worry about.

Mr. Speaker: Order, please. The Leader of the Opposition with a new question, please.

Mr. Peterson: Mr. Speaker, the suggestions very clearly are that there is up to \$125 million missing. What assurance is the minister prepared to give the depositors today that this missing money will not in any way affect the security of their deposits?

Hon. Mr. Elgie: Mr. Speaker, once again, just so we understand the facts about the ad lib that was put in: On November 16, the Leader of the Opposition said, "It is, of course, the typical government response"—I am reading selectively—"to have a royal commission." Unless I read the word the wrong way, that is a man standing up and saying: "Don't delay things. Get on with it." I thought that was the message.

Last night I congratulated him in that his party and the third party agreed to introduce legislation so that the government could adequately deal with the problems, quickly, efficiently and effectively. I think we are on the same side, that of the interests of the depositors, creditors and shareholders. If he is not interested in the same side and in dealing with the matter expeditiously, he should say so, because that is this government's role and that is what it is doing.

As to the question about the down payment that was reportedly made in the transactions, I have indicated very clearly, with no sense of stonewalling but acting responsibly, that those are issues before the Morrison inquiry with respect to which people are under oath. I do not intend to comment on them at this time but will when the information is available and there are no constraints upon talking about it.

Mr. Peterson: Morrison has been there for two months. The registrar should have been aware of these things some time ago, as we have pointed out repeatedly. Still the minister is not prepared to make any answers in this House. He is aware that the press has reported this today. He is aware also that thoughtful people were concerned about this question some two or three months ago. Some time he has to come to this House with some answers.

Mr. Speaker: Question, please.

Mr. Peterson: The press reports this morning

are creating whole new levels of anxiety to compound an already complicated situation.

Has any director of Greymac, Crown or Seaway filed a report—and I am referring specifically to Messrs. Cowper, Clement and Randall, or any other director—or come to the minister or the registrar after those transactions, suggesting that there was anything untoward or filing any notice under section 193? If they have not, is it part of the minister's investigations to investigate the question of directors' liability in this whole affair?

Hon. Mr. Elgie: I am advised by the registrar that he did receive notification from Mr. John Clement, indicating that he had filed a written protest with respect to mortgages advanced by Greymac Trust Co. on January 11, 1983. To my knowledge, I have received no further such indications from any directors.

With respect to the other question asked, that is a question that will have to be resolved with other legal issues that revolve around the many problems confronting us.

Mr. Rae: Mr. Speaker, perhaps the minister can clarify this problem for me. The government has seized the assets of the three trust companies. As I understand it, that action is entirely independent of the Morrison inquiry. Those three trust companies, of which the government is now in effect the trustee for all the assets and liabilities of those three trust companies, have been placed under the responsibility of three particular individuals. We have been asking a very simple question of the minister. Were certain payments made to those trust companies 11 days ago with respect to mortgages they hold on these properties?

The minister keeps talking about the Morrison inquiry. Surely it is not up to the Morrison inquiry to answer that question. It is up to those people who now are in charge of running those companies to tell us whether they got the cheques on January 10. I think most Ontarians tend to hear from their mortgage companies when they have not paid their mortgages on time. Is there going to be one law for everybody else in Ontario and another law for Kilderkin Investments and Mr. Player, or are we going to start treating people on the same basis?

Can the minister please tell us whether the mortgages have been paid and what action the government intends to take if they have not been paid? It has been 11 days. Not many people in this province get that kind of leeway from

their mortgage companies. They usually get a letter much more quickly than that.

Hon. Mr. Davis: That is not all they get.

Mr. Rae: A phone call?

Hon. Mr. Elgie: If the member and the Premier want to step out and discuss this for a few moments, it is all right with me. It will be a friendly discussion. The Premier promised that. He has told me he will not do anything violent to anybody. I am sure that is a commitment I have from him.

10:30 a.m.

Let us clarify the role of the Morrison examination and the registrar's taking possession of the assets of the three trust companies.

Both of those investigations, if one wants to call them that, have common and similar threads. Clearly, they dovetail in that, while the registrar has control of the assets, as part of his mandate he will be looking at a number of aspects as he evaluates the trust companies involved. That is the sort of information the Morrison examination would be looking at as well.

What I have said before in response to the question the member asked about mortgage payments is that I understand the question and I am aware of it. When I have information to give this House, I will be pleased to do so.

Mr. Peterson: The minister indicated that Mr. Clement filed a notice with the registrar on January 11, as I recall his words. I refer him to section 193 of the act: "but if any director present when any such investment is authorized, forthwith, or if any director then absent, within 24 hours after he becomes aware of such investment, and is able to do so, enters his written protest against such investment, and within eight days thereafter notifies the registrar in writing of his protest, the director may thereby, but not otherwise, exonerate himself from liability."

My understanding is Mr. Clement was on the board of Greymac Trust at the time of the mortgage loans with respect to the Cadillac Fairview deal, which was early in November.

Is the minister suggesting he was not there at the time, was not informed at the time or only became informed some time in January so that he could file the notice? If he is not, I ask him again, are his investigators or the police or someone who is looking into this whole situation looking at the question of directors' liabilities for this apparently missing \$125 million?

Hon. Mr. Elgie: I have no way of looking into the minds of individuals who were directors of

various companies. I am simply reporting to the member the facts in response to a question he asked me. I have said clearly there are a number of legal issues related to the trust companies about which active consideration is under way, but as yet no decisions have been made. When they are made and when I can release that information to the member, I will.

Mr. Rae: Mr. Speaker, my question is to the Premier. It concerns a letter which I understand the Premier received from the Association of Large School Boards of Ontario yesterday regarding its concerns about the security of deposits in Greymac Trust and Crown Trust.

I am quoting from the letter: "Some or all of the assets invested in Crown Trust and Greymac Trust may not be recovered, thereby severely restricting the ability of these school boards to continue their level of operation for the remainder of this year."

"Given the pressing nature of these concerns, the Association of Large School Boards of Ontario respectfully requests that your cabinet provide the assurances required by investors at this stage of your investigation and make every attempt to guarantee the safe return of all assets on deposit with these trust companies."

It is my understanding that these boards have a total of \$19 million invested in these trust companies; \$11 million in Crown and \$8 million in Greymac.

If we could go back to the discussions we had earlier on in the week, in the light of the fact that there are a great many public institutions, municipalities, school boards and pension funds with money that belongs to the ordinary people of this province, will he not reconsider his remarks of the last few days when he said the government would not guarantee these investments? Will he now make the announcement that the government will guarantee these investments, whether they are made in Crown, Greymac or Seaway?

Hon. Mr. Davis: Mr. Speaker, consistent with what I said the other day and with what the minister has been saying, I think it would be quite improper for me to say the government is going to guarantee in an absolute sense all depositors or investors in those three companies.

I feel concern with respect to the school boards. I have not seen that letter yet, although I understood it was coming. I think my own school board has a \$3-million deposit in Greymac. I am a little intrigued that the deposit was made on December 31, 1982, after there had been some rather obvious discussion in the press.

Why that particular deposit would have been made I guess is a matter of judgement by the board itself.

I would assure the honourable member that we are aware of the difficulties of some of the boards and some of the municipalities. Certainly at this time it would be quite inappropriate for me to say yes, everybody will be guaranteed for what they deposited.

I do raise the hypothetical question again to the leader of the New Democratic Party. It is very easy for me to be quite sympathetic to everyone who has deposited. I am just posing the question to him again. There may be some corporate deposits there. There may be corporate deposits from corporations that still are functioning relatively well, have certain profits. Maybe even Inco has a deposit in Greymac for all I know. Is the leader of the third party suggesting that public funds should be used to guarantee the investment of Inco, if hypothetically it happened to have an investment in one of those companies? My guess is he would not say that.

Mr. Rae: The Premier guessed wrong. The answer is yes, because there is no reason why any taxpayer or any ordinary depositor or innocent investor in this province should have to pay the price for the government's negligence.

Mr. Speaker: Question, please.

Mr. Rae: That is the reason the answer to that question is yes.

The government made a very real distinction in its statement on Monday between those who had made investments in Crown and those who had made investments in Greymac and Seaway. From the point of view of the ordinary depositor or from the point of view of the corporate depositor—whether that be a municipality, school board, charitable group or whatever—how can the government justify this distinction between Greymac, Crown and Seaway, other than the fact that Crown is a company which has a very long history and Greymac is a relatively new corporation?

Again, why should the depositors pay the price for the government's own lack of vigilance? Why should they not be protected when it would appear from everything that has been revealed so far that the government's own administrative and regulatory procedures and the breakdown of those have been a vital contribution to the problems facing depositors at this time?

Hon. Mr. Davis: With great respect, I do not agree with the last statement made by the member.

Mr. Peterson: Mr. Speaker, the Premier said he was surprised that the Peel board made a deposit as late as December 31, given the attendant publicity surrounding this whole affair. Was he surprised also that his own Province of Ontario Savings Office was selling certificates for these trust companies right up until that period of time?

Hon. Mr. Davis: Mr. Speaker, that has been discussed on other occasions. The Province of Ontario Savings Office is not in a position to make determinations for investors. They are there to provide a service. They were not selling. They were not promoting. They were providing a service, which the Leader of the Opposition well knows.

While I am answering the member, I would just like to interject and thank him on behalf of the chairman of Ontario Hydro for those very charitable and kind remarks he made about his retirement.

Mr. Peterson: Lennie Rosenberg could run that place just as well.

Mr. Speaker: Order.

Mr. Rae: In answer to my second question, the Premier said he disagreed with the conclusions that I drew with respect to a lack of vigilance of this government and the breakdown of the regulatory process. I would like to ask the Premier why he will not now quite simply order a public inquiry to determine who is right in this matter with respect to the lack of vigilance. Is he agreeing with the minister that it should be left entirely to an internal process where the minister and his staff can be judge and jury in their own cause?

Is he going to require every depositor in the province who is affected by the collapse of Greymac and Seaway to take the government to court or to go through the same agony and great hardship that the people in Argosy and Re-Mor have gone through? Why will he not order a public inquiry to determine this very fact? If he disagrees with us, fine. Why does he not take that and get the support of a public inquiry if he is so sure he is right in the matter?

10:40 a.m.

Hon. Mr. Davis: I have never been as sure as the member, as I have listened to him over the years and read what he has said. I have always been one to confess that I am not always right, but I do make certain judgements and at this

time I do not accept the observations made by the member in the earlier part of his earlier question, it is as simple as that.

Going back several weeks, if when this matter first came to public notice we had accepted his advice and that of the Leader of the Opposition to appoint a royal commission, once again, when we appointed a former royal commissioner to look into the rent aspect of it, the Leader of the Opposition said that here we were again trying to hide something or dispose of some issue.

I would only say that if we had appointed a royal commission back in November or early December, from my knowledge of the situation the possibilities are of depositors in those three companies being prejudiced because of the functioning of a royal commission to a greater extent than has been the case; the delay that is involved and the procedures that are involved, I think should be obvious even to the member opposite.

I say with the greatest of respect that the approach taken by the government, in particular by the minister, has been in the interests of the depositors and has been in the interests of the integrity of the trust community in this province. Those people I discuss it with in the trust industry in this province, some of them well known to the Leader of the Opposition, think the minister and the government have handled a difficult situation extremely well.

[Later]

Mr. Peterson: On a point of privilege, Mr. Speaker: Before I start, I understand the honourable minister is taking speech lessons from the member for Oriole (Mr. Williams); but anyway, I will carry on here.

I want to use this opportunity to correct the record if I may. On Tuesday, January 18, I asked the Minister of Consumer and Commercial Relations (Mr. Elgie) the following question: "Is the minister aware of any of the directors filing notice under section 193 of the Loan and Trust Corporations Act that there are any untoward transactions or violations of section 191, which describes the kind of investment that they had? Is he aware of any notices to the registrar or anyone else from any directors attempting to absolve themselves of liabilities if in fact there was a violation of section 191?"

The minister made the following response: "No, I am not personally aware of any notices from any of the directors of those three trust companies, but if there were any they will be reported to me. In the absence of that knowl-

edge at the present time, I can only answer that I do not know of any."

That was January 18. Today in the House the minister has revealed that on January 11 a notice was filed. Obviously, that speaks to a lack of candour on behalf of the minister or a very distinct lack of communication within his own ministry.

REGULATION OF TRUST COMPANIES

Mr. Rae: Mr. Speaker, my new question is to the Minister of Consumer and Commercial Relations and it concerns the other aspect of the legislation that was passed on December 21 which the minister did not refer to in his statement this week. I am referring to that aspect of the legislation that gives the registrar the ability to disallow takeovers of more than 10 per cent of the shares of a company.

Subsequent to the passage of legislation there appeared articles in the press with respect to the proposed acquisition or attempted sale of a company called Dominion Trust. Can the minister explain what grounds the registrar had for acting to prevent the sale of Dominion Trust to one Vince Lanzino?

Hon. Mr. Elgie: Mr. Speaker, to the best of my knowledge there has been no request made of the registrar to approve such a sale.

Mr. Rae: Is the minister saying there was no offer and acceptance with respect to Dominion Trust? It is my understanding from the evidence that was also made public in the *Globe and Mail* on January 5 that a deal was in fact closed and that it was signed last November by Mr. Axton, who was the previous owner, and Mr. Lanzino, who was the purchaser, and that the spokesman for the Toronto corporate lawyer said: "The legislation was a shock. The legislation puts up certain policies by the Ontario government, and both the vendor and the purchaser in this transaction are endeavouring their utmost to comply with the legislation as it currently exists."

Mr. Speaker: Question, please.

Mr. Rae: Was a deal not closed? Is it the minister's understanding that a deal was arrived at with Mr. Lanzino? Can the minister tell us again what concerns the government had with respect to this transaction?

Hon. Mr. Elgie: Again, as I am sure the member would understand, the government does not sit in the legal offices of parties throughout the province to be Big Brother, watching over every contract that is signed by parties. I have no reason to disbelieve what I

have read in the newspapers; that there was indeed a contract to sell which had been agreed to in principle, or which may have been completed.

What I said to the member was that to the best of my knowledge there was never any formal request made to the registrar to approve or disapprove of the person or persons who were endeavouring to acquire that company. In the abstract, I am sure the member really is not suggesting that I should send a team of investigators out to report to this Legislature on individuals who have not made formal application to the registrar under that act.

Mr. Peterson: Mr. Speaker, have those particular sections of the amendments to the Loan and Trust Corporations Act been used in any other circumstances since their passage in December?

Hon. Mr. Elgie: Not to my knowledge, Mr. Speaker, in terms of a formal request to the registrar related to an approval of transfer, except in one regard. The member will recall that there was an outstanding offer to minority shareholders. It did not quite come within the terms of a follow-up offer but was made on the Toronto Stock Exchange, presumably to be in compliance with a follow-up offer for the balance of the outstanding shares of Crown Trust.

It was necessary, in order to protect the interests of those minority shareholders in late December, for the registrar to advise them by public notification that should they accept the offer that was outstanding at the Toronto Stock Exchange. To protect their rights and interests, he would approve the transfer of that one per cent of shares still remaining to the purchaser of the shares of Crown Trust.

Mr. Rae: The same reports quote the registrar, Mr. Thompson, as saying, "Dominion Trust was one of five or six trust companies which were the subject of concern to the government at the time it was planning the legislative amendments."

Having passed the legislation in December, having admitted the problems of regulation and the fact there are situations where records of companies may not be what they appear to be, is the minister satisfied that the investments and shareholders and deposits in the other trust companies in this province are safe today?

Hon. Mr. Elgie: I have no present reason to feel they are not, but certainly the registrar is constantly reviewing trust companies in this province and if any information is forthcoming

to him that indicates further examination should be carried out, he will do it. But I have no information at this time.

ONTARIO HYDRO STRATEGIC PLAN

Mr. Kerrio: Mr. Speaker, I have a question of the Minister of Energy regarding the memorandum of understanding he tabled with the clerk on December 22. I can appreciate the minister might require a memorandum of understanding with Ontario Hydro, because we on this side certainly understand the functions and operations of Ontario Hydro as they relate to his ministry.

It was pointed out to two of his predecessors that Ontario Hydro was quite willing and able to conduct its own business and did not take any pleasure in having the ministers of the crown interfere in any way. I am sure the members for Prince Edward-Lennox (Mr. J. A. Taylor) and Ottawa West (Mr. Baetz) will attest to that situation.

Is the minister aware of what is in the opening pages of this memorandum? On page 2, it says: "And whereas the government has stated that the purpose of such a memorandum of understanding is to clarify the objectives and priorities of the agency, and to set out the operating relationship between the agency and the minister and his ministry without supplanting any statute which establishes the responsibilities and authorities of the agency."

10:50 a.m.

With that very clear and concise understanding that Ontario Hydro is still going to manage its affairs the way it has in the past without ever asking us or telling us what is going on, I ask the minister whether Ontario Hydro has prepared its strategic plan as required under the so-called memorandum of understanding, and whether he will table this plan showing Hydro's financial plans, including projected costs and proposed methods of financing of its capital construction program and system expansion program?

Hon. Mr. Welch: Mr. Speaker, if I could make one or two observations on the preamble that was incorporated in that question, I think the people of this province, and particularly the electrical customers of this province, have been well served by men and women of high competence and integrity who have accepted the invitation to serve on the board, and who indeed make up the Hydro family that is responsible for discharging the day-to-day operations of the board.

Included in that list, of course, would be the very competent people who have served as chairmen. That provides me with my first opportunity in the House to pay tribute to Mr. Macaulay, who has indicated that he will be stepping down at the end of March. He has served the people of this province in many capacities with great sensitivity, particularly as Hydro chairman. The comments of the Leader of the Opposition (Mr. Peterson) notwithstanding, the people of Ontario have been well served, and I want to pay Mr. Macaulay tribute for what he has done and the leadership he has shown in this particular responsibility.

Certainly the memorandum of understanding is very clear. It sets out the relationship between the public utility and the ministry. Attached to it are the schedules setting out the statutory requirements that have to be followed. The particular matters to which the member has made reference have been the source of ongoing discussions as the board reviews the entire capital program, in keeping with the revisions in load growth forecasts, as I have mentioned on several occasions in this House.

Mr. Kerrio: I want to make it abundantly clear that we have never questioned the integrity of the personnel at Ontario Hydro.

The question is, will the minister at last get some kind of an understanding whereby he will set up some criteria and policy that Ontario Hydro should, if it is going to serve the people in the future, comply with? In that way it would better serve the people and not build the bureaucracy we have seen unfold over the last few years.

In keeping with that request, I ask the minister if he would consider establishing a select committee of this Legislature to look into that capital expansion program and to do some of the meaningful things that were done during minority government, the only time when any light shone in the dark corners of Ontario Hydro.

Hon. Mr. Welch: One would almost think the member for Niagara Falls was getting theological, referring to light shining in dark corners, a very appropriate comment to make during the season of epiphany.

I am satisfied that the working relationship between the public utility and this government is a fine one. It is quite clear that the energy policy of this province is well understood and I have no reason to believe there are any areas where there is not agreement about the goals to be accomplished.

AMI (CANADA) LTD.

Mr. McClellan: Mr. Speaker, I have a question for the Minister of Health with respect to American Medical International.

At the time he approved the cost-plus contract between AMI (Canada) Ltd. and the Hawkesbury and District General Hospital in November 1982, was the minister aware that the US Federal Trade Commission, Ronald Reagan's trade commission, had laid charges against AMI for anti-trust violations? These charges related to AMI's practice of buying a monopoly share of hospital beds in San Luis Obispo county in California, and, having once acquired the monopoly control over hospital beds and eliminated their competition, they have used their monopoly position, according to the charges, to hike up the prices charged to sick people for the sale of hospital services.

Was the minister aware of the AMI (Canada) Ltd. record of corporate citizenship when he approved this contract?

Hon. Mr. Grossman: Mr. Speaker, the general reputation of American Medical International was reviewed carefully by both the hospital, which is the body that entered into the contract, and the ministry. I am not sure whether the hospital itself was aware of those charges at that time, but I think it would be rather injudicious of the hospital to back out of an arrangement with the company—

Mr. McClellan: We are talking about you, not the hospital; you approved it.

Hon. Mr. Grossman: Just to widen it, I think it would be injudicious of the ministry to suggest to the hospital that it decline a contract which we believe, and the hospital believes, may well save several millions of dollars over the next several years. The saving would be accomplished without health care declining for citizens of that region but rather while it improved.

It is important to remember that AMI runs about 100 hospitals in the United States and about 25 hospitals in places that run the kind of health care system the member would admire—Great Britain, Australia, France and so on. They have a lot of experience through 125 hospitals and they have a record of saving millions of dollars while improving health care.

Is the member suggesting we should back out of an experimental process to see if they can do the same thing here, when there is not a conviction but only a charge laid? The quality of care has not been traded off; simply, in one area comprising three or four hospitals of the 125

they own or manage, they may have acquired too many and have concentrated too much power. If he is saying that, then I suggest it would be rather shortsighted for us to back out on the basis of unproven charges and charges which relate in no way whatsoever to actual management of the operations or quality of health care. It just would not be sensible.

Mr. McClellan: Is the minister aware that the cost-plus deal at the Hawkesbury and District General Hospital permits AMI to keep one half of any profits generated above \$750,000 in addition to its \$300,000-a-year management fee? Is he aware AMI intends to reach its profit target by cutting staff by 10 per cent through attrition by 1985? During this period a new hospital will be built which will increase the number of beds, so there are going to be more beds and fewer staff. Is he aware that this is how the profit target is going to be reached?

Is the minister surprised the AMI executive at the hospital in Hawkesbury indicated to New Democratic Party research staff that he intended to generate additional revenues through the sale of hospital services to the community? He gave as examples of the hospital services he would be selling to the community as part of his revenue-producing plan under the contract ultrasound services, nutrition programs and preventive health programs.

I ask the minister to reconsider this very serious mistake he and his ministry have made. I ask him to do what he said he did not think I would recommend, but which I do recommend: to get out of this contract as quickly as possible. I ask him to facilitate the management contract that was tendered by the Ottawa General Hospital by acting as the guarantor. If Hawkesbury needs management assistance the Ottawa General is prepared to provide it, with the minister's help. Would the minister give us a pledge right now to keep the multibillion-dollar US hospital corporations out of this province?

Hon. Mr. Grossman: Getting by all the clichés the member wants to attach to this, I think he and this government owe some things to the Ontario health care system, and one of those is to make sure it is run as efficiently as it can be.

The member should contemplate the savings at Hawkesbury. It remains to be seen if we are right, but we believe the quality of care will be improved. The member has acknowledged there will be more beds, not fewer. One can imagine what it would be like if we were in the opposite

scenario with fewer beds. The member would really be outraged in those circumstances.

11 a.m.

Mr. R. F. Johnston: Beds do not give care by themselves, or haven't you noticed?

Mr. McClellan: It would be nice to have nurses to go with the beds.

Mr. Speaker: Order.

Hon. Mr. Grossman: So we are going to have more beds over the next few years.

I have the projected figures for the ministry's budget allocation to the Hawkesbury hospital. Over the next 10 years, in accordance with the contract signed with AMI, the hospital understands that rather than having an increasing allocation the allocation in current dollars will go from \$5.5 million in 1982-83 down to \$5,155,000 in the 1987-95 time frame. Subsequent to that it will go down to \$4.3 million.

What we are going to have is a brand new facility. We are going to have 30 or 40 more beds in the facility, and we are going to have a budget that decreases from \$5.5 million this year down to \$4.3 million over the term of this contract.

Perhaps the member's concern, rather than being about the quality of care, is about the number of employees there will be. Perhaps his proposition is that the \$3.3 billion in the hospital system should be maintained and inflated in order to protect all the jobs in that system. If it is, particularly when we are talking about taking jobs out by attrition, he ought not to be suggesting that where there are more employees than necessary the situation ought to be sustained.

He has been very articulate, and properly so, on the matters that relate to the need for more money in preventive health areas, mental health areas and so on. It would be a crime for us to pay more money into the hospital system than is necessary by maintaining more staff than is necessary in hospitals.

This minister and this government will give the member the assurance that quality of health care in Hawkesbury and in every other hospital in the system will not be affected one bit. So there will be savings over that time frame of almost \$1 million a year by the end of the contract. There will be more beds and a maintenance, if not an improvement, of the quality of health care. That can and has been done.

Let me give the member one example of where it has been done.

An hon. member: Time.

Hon. Mr. Grossman: I guess I am scoring

some points or the member would not be yelling time. I can always tell.

In the years 1979 and 1980 there was a dramatic increase in the utilization of hospital beds in this province, but there was a decrease in the number of staffing hours in the hospital system. Those years, 1979 and 1980, were not years in which there was a decline in the quality of health care in the province. So we had an increase in the quality of health care with fewer employees in the system. There is no reason to believe that cannot be effected in more hospitals in the system in the years to follow than just in the years 1979 and 1980. We believe this may be—not certainly, but may be—one way in which those goals can be accomplished.

Mr. Sweeney: Mr. Speaker, may I ask the minister what responsibility his ministry has to assist hospital management teams to develop those same kinds of skills themselves rather than having to import them from the United States? This is particularly pertinent when we have, in the majority of the universities in this province, strong management administration programs. Why is it necessary for us to import those skills when, surely, the ministry itself has a responsibility to assist our hospitals to develop those skills themselves?

Hon. Mr. Grossman: Let me widen that a bit. I think it would be fair to say the government and the education system, post-secondary in particular, has the obligation to try and turn out those kinds of people. It would not be a direct responsibility of my ministry to train administrators; I accept that immediately.

However, no hue and cry has been raised over the past few years while hospitals have had to go south of the border to hire administrators as opposed to firms to do administration and bring them here. By the way, the administrators who have been hired from the United States to come and work in our hospitals have by and large been excellent.

Mr. Sweeney: Why did we have to go there?

Hon. Mr. Grossman: I am going to get to that.

One of the things we are facing is that hospitals have really grown to be very large operations. Even in a community the size of Hawkesbury that hospital's budget is over \$5 million; it is a big operation. Therefore, the quality of people and the kind of training these people need has had to be vastly superior to what it once was, particularly with financial pressures coming upon them.

I share with the honourable member some

regret that not enough of these people are available. I have to acknowledge that many of the people currently serving as administrators have served their hospitals very well. They have come up through the system and worked in the hospitals when the hospitals had budgets very much smaller and when the complexity of the hospitals was very much different. At the same time I think it would be unfair to suggest that all of those people should be turfed out and replaced.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Grossman: To be fair to the post-secondary system, I believe we are turning out a great number of people with extraordinary expertise—

Mr. Bradley: You are not doing a good job, Bette.

Hon. Mr. Grossman: Did the member hear what I was saying? I said they were turning out a great number of people with sufficient expertise.

This is an important point. One of the problems we are facing is that if the hospitals were to pay the kind of money these people can get in consulting operations and in other places in the private sector, I would be faced with complaints that hospitals are paying \$100,000 or \$150,000 to an administrator of a hospital.

So the competition out there is very severe for administrators with the kind of skill and experience they do need in this day and age. I regret to say the competition is winning over very many of the competent people who are being trained in Ontario and in Canada who I wish were working in hospitals. And when they do work in hospitals for a period of years, quite frankly they often end up going outside to private sector jobs.

I hope to be able to use this kind of vehicle, if it works well, to attract some of that expertise back in to run the hospitals.

LIMOUSINE FARES

Mr. Piché: Mr. Speaker, my question is to the Minister of Transportation and Communications. As the minister is aware, on December 6 I asked him to look into excessive increases in international airport limousine transportation of some 18 per cent. As he is also aware, on January 12, some five weeks after my request, in a letter to Jean-Luc Pepin on the matter he quoted figures of only 10.5 per cent to 11 per cent increases from information received from

the ground administration personnel at Toronto International Airport.

As the minister is no doubt aware, he received false information, which he relayed to Mr. Pepin. An increase from \$19.50 to \$23.00—an increase of \$3.50—is certainly an 18 per cent increase, not the figures that were quoted to the minister.

11:10 a.m.

With this unreliable information received, will the minister get this matter resolved immediately? How long are we going to have to wait to have this increase rolled back? It is now close to two months and, as the minister is aware, either the restraint program works two ways or not at all.

Hon. Mr. Snow: Mr. Speaker, the honourable member did bring this matter to my attention and I said I would look into it. It does not fall under the jurisdiction of my ministry or of this government. He told me of this 18.5 per cent increase. I had my staff investigate it with the personnel at Toronto International Airport who are responsible for the licensing of the limousine services and the taxis out of that airport.

After getting this information, I wrote to Mr. Pepin asking him to look into this excessive increase and I sent the member a copy of my letter. If we got any misleading, untrue or wrong information, we got it from Mr. Pepin's own staff because we got it from Toronto International Airport. I passed that information on to Mr. Pepin and asked him to investigate it.

The member tells me he has receipts to prove the 18 per cent increase. I hope he will forward those to me and then perhaps I can write to Mr. Pepin again.

CHILDREN'S MENTAL HEALTH SERVICES

Mr. Bradley: Mr. Speaker, I have a question for the Provincial Secretary for Social Development. The members from the Niagara region received from the director of residential services for the St. Catharines Association for the Mentally Retarded a letter concerning core residences. As the minister may be aware, there are a number of severely retarded adults in need of community residences that provide a high degree of supervision. These core residences do not exist in the Niagara region at the present time.

The Niagara District Working Group conducted a needs survey in the Niagara region and published the results in April 1982. These

results indicated that at present 31 adults residing in the region require placement in an adult core residence and that by 1984 the number will rise to 47.

In view of that and the continuing discussions and representations that have been made to the Ministry of Community and Social Services, could the minister indicate to the house when these people can expect some answer from the ministry over which she has some control as provincial secretary?

Hon. Mrs. Birch: Mr. Speaker, the honourable member will know that my control over the operations of the ministry is very limited. My responsibility lies with determining and co-ordinating policies, but there is a limit regarding operations within the ministry. I will relay the member's message to the minister when he returns.

Mr. Bradley: When relaying that message to the minister upon his return, would the provincial secretary be prepared to indicate to him that it would be appropriate to have an immediate answer to this question in view of the fact the parents are getting on in age. It would be a blessing for them to know how, where and when these children will be settled in a residence.

The point I make with the minister when I ask her to relay this information is the process has taken so long and the need is there, now and immediate. Indeed, the need was there a couple of years ago. Would she impress upon the minister the urgency of this matter and ask him to take the appropriate action as soon as possible?

Hon. Mrs. Birch: Yes, I will be glad to do so.

LITTON SYSTEMS CANADA BOMBING

Mr. Renwick: Mr. Speaker, in the absence of the Premier (Mr. Davis), the Deputy Premier (Mr. Welch), the government House leader (Mr. Wells), the Attorney General (Mr. McMurtry), the Solicitor General (Mr. G. W. Taylor) and the Provincial Secretary for Justice (Mr. Sterling), my question is to—I am delighted to see the government House leader returning.

My question relates to the arrest yesterday in the vicinity of Squamish, British Columbia, of five persons in connection with the Litton Systems Canada Ltd. bombing incident. As this matter involves the integrity of the investigation by the Metropolitan Toronto Police as well as the integrity of the peace movement and the nuclear disarmament movement, will the minister ask the appropriate minister, be he the

Solicitor General or the Attorney General, to report to this House on Monday on the following question?

Is there is any evidentiary connection in the police investigation between the detention of Mr. Ivan LeCouvie on December 7, the search under warrant of the World Emergency office in Peterborough on December 8, the search under warrant of the Cruise Missile Conversion Project on December 14, the additional searches under warrant on December 15 of the home of Mr. Kenneth Hancock on Dewson Street, of the offices of the Alliance for Non-Violent Action at 730 Bathurst Street and, on the same day, of the homes of Rosemary Cooke and Tom Joyce at 38 Langley Avenue in Toronto, and other circumstances surrounding that investigation?

Hon. Mr. Wells: I will be happy to get the Hansard version of that question and pass it on to the Attorney General, Mr. Speaker.

FOOD PRESERVATION TECHNIQUES

Mr. McGuigan: Mr. Speaker, I would like to ask the Ministry of Industry and Trade (Mr. Walker) if he is here—he was here a minute ago.

Mr. Speaker: He is not in his chair.

Mr. McGuigan: Failing the Minister of Industry and Trade, I ask the government House leader to forward the question to him. It concerns his announcement about the opening of the technology centre in Chatham for farm machinery and food technology. I want to ask the minister if he is considering the investigation of radiation as a method of food preservation. This method is being investigated very actively in the United States and it does promise a very cheap and effective method of preserving food.

Because of our expertise in Canada and our lead in that type of research—I am thinking of Atomic Energy of Canada Ltd.—because of the lead we have in nuclear generation and the amount of power we have, Canada and Ontario should be leaders in that regard.

Hon. Mr. Wells: Mr. Speaker, as someone who has great concern for radiation problems, I will be glad to pass this question on to the Minister of Industry and Trade.

REPORT

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Mr. Shymko from the standing committee on social development reported the following resolution:

That supply in the following amounts and to

defray the expenses of the Ministry of Citizenship and Culture be granted to Her Majesty for the fiscal year ending March 31, 1983:

Ministry administration program, \$7,980,600; heritage conservation program, \$21,473,400; arts support program, \$62,399,800; citizenship and multicultural support program, \$9,962,400; libraries and community information program, \$30,227,700; ministry capital support program, \$89,701,100.

SPEAKER'S RULING

Mr. McClellan: Point of order, Mr. Speaker: Before the orders of the day, I want to make a very brief comment about the ruling you made at the beginning of today's sitting with respect to standing order 33.

11:20 a.m.

Mr. Speaker: I really think that would be out of order if you did that, with all respect.

Mr. McClellan: Mr. Speaker, if you would give me 30 seconds—

Some hon. members: No.

Mr. Speaker: There is nothing provided in the standing orders for that.

Mr. McClellan: There was a matter of precedent that was dealt with in your ruling. I wanted a clarification.

Mr. Speaker: I will hear your point of order.

Mr. McClellan: Thank you, sir. The ruling you made, which I may say was welcome in the first part, ruled that the petition was in order. But you ruled that the terms of reference of the referral to the committee was not in order by virtue of the fact that, according to your ruling, they are extraneous, not contemplated by the standing order and therefore out of order.

My question of clarification to you is this: there are numerous precedents in both directions. On some occasions, the House has referred a report, under this standing order, to a committee with specific instructions of the House which act as the terms of reference for the work of the committee once the referral is made. There are precedents for that practice. There are also precedents for a referral under the standing order of a statutory report without terms of reference.

It is certainly the interpretation of my colleagues that both of these practices are consistent with our practices and traditions here in the House and both of them are consistent with the standing order. Sometimes a referral can be made with terms of reference that instruct the

committee to do thus and so, and at other times the referral is made and once the report is received by the committee it will decide, under the direction of its chairman, what it will do with the report.

It seems to me that both practices under this standing order are equally valid. This particular petition did include a second part, which had to do with the establishment of the terms of reference. I would ask you to consider, perhaps not immediately but in the light of our precedents here in this House, whether the terms of reference in this petition also may not be in order according to our precedents.

I would ask you, sir, to take this matter under advisement with your advisers, perhaps till the beginning of the week.

Hon. Mr. Wells: Mr. Speaker, on this point of order, I would like to just say a word. If you were going to take this matter under advisement, I would like to argue very strongly in favour of your ruling. I believe this standing order 33 contemplated a procedure for referring annual reports to committees and that the intent very clearly was that the annual report be referred down, and then the committee could decide what sections of the annual report, or matters, were to be considered by it. It was not to be considered in the same light as a resolution or motion of this assembly directing a committee to do certain things with certain ground rules or certain terms of reference.

Under this standing order that provides for referrals of statutory annual reports, I believe it would be very wrong, sir, to have this House also put terms of reference of what should be considered under that particular matter. I do not think there are any precedents for that in this House at this time—

Mr. McClellan: There are.

Hon. Mr. Wells: —that were done where the petition actually specified what the terms of reference were. There are motions of the House where this may have occurred, but I do not—

Mr. McClellan: The health referrals to the social development committee.

Mr. Conway: Mr. Speaker, just very briefly on the point of order raised by the member for Bellwoods: it is certainly my recollection that the member for Bellwoods, and not the government House leader, is correct when he points to the fact that in certain earlier circumstances the reference was quite specific about what the committee was to do.

I well remember initiating the first of those

references in this House in the early days of March 1978. If my memory serves me correctly there was specific reference made at that time. I well remember the then government House leader and the then Treasurer, the former member for Chatham-Kent, not commenting upon it because it was the intention of that initial reference that the social development committee would on petition involving the annual report of the Minister of Health for 1976-1977 look specifically at the Ontario health insurance plan premium structure and policy.

Hon. Mr. Wells: Mr. Speaker, it would be interesting to review the records. I have not had a chance but I would want to see whether that was actually in the petition at the time.

Mr. Speaker: I am prepared to deal with this matter now. It was one of the matters which was of some great concern and was taken into serious consideration before the ruling was made. Obviously there has been some contradiction, if you will, in the application of it.

It is my understanding, and hope, that in making this ruling the matter will be cleared up once and for all. As I read the standing orders, it is very clear in my opinion that the standing order provides only for the referral of the report.

Mr. Conway: On that point, Mr. Speaker, I regret that I have not had an opportunity to canvass X number of petitions. However in light of what you have done—and I might stand corrected because as I indicated moments ago I have not looked at the whole spate of references we have had since March 1978; I would very much like to have a look at them—I would ask if you could arrange to have the table officers submit to members of this assembly, or at least the representatives of each of the three parties, the entire list of those petitions. I think I remember a number of cases where there was specific reference. If that is the case then it would concern me no little bit that this ruling now seeks to set aside what may have been and what some of us thought was something of a precedent.

Mr. Speaker: I do not think it sets anything aside. I think it clarifies once and for all what the standing order says. In my opinion it is very clear. Just because perhaps something has been done erroneously in the past—

Mr. McClellan: Sir, that is called a precedent in this chamber.

Mr. Speaker: Perhaps it is, but—

Mr. Renwick: You are overruling a precedent.

Mr. Speaker: Yes, that is right. As I said, it was a matter to which we gave very serious consideration. I think this ruling will clear it up once and for all.

Mr. Conway: Will you give an undertaking to present members of the House—

Hon. Mr. Wells: It is his ruling.

Mr. Conway: The government House leader in his—

Mr. Speaker: Just a minute. Let us not get into a debate.

Mr. Conway: Sir, as a member who initiated this process five years ago, I feel that in a personal way I have some investment here. I am listening with great interest to what the government House leader is interjecting about what may or may not have been past experience.

I do agree wholeheartedly with the member for Bellwoods (Mr. McClellan), who draws our attention to the enormous importance of precedent. It is only days ago that the government House leader and the chief government whip went to the standing committee on administration of justice and brought forward the time allocation resolution. They went to considerable lengths, almost colourful lengths, to draw our attention to precedent as set out in May for the purposes of their interest at that time.

Again I regret that I have not involved myself in the last 24 hours with a canvass of the various petitions, but given the nature of the British parliamentary tradition, I feel it is important for us to pay some attention to past practice. As the member for Bellwoods has pointed out, precedent continues, one hopes, to play an important role in the way we set parliamentary policy around this place.

11:30 a.m.

Mr. Speaker: Yes, that is quite right. I point out to the honourable member that the petitions are public information. We can present them or he can look them up. I was asked by the member for Riverdale when he made his presentation. I made it clear that I would take the petition into consideration. On the basis of that petition, I have made a ruling. It is my clear understanding of what the standing order says.

I want to point out for the information of all members that, notwithstanding what has happened in the past, I do not necessarily have to be bound by former decisions of other Speakers or even by previous decisions I may have made myself. I am responding to a particular petition put forward by the member for Riverdale. I have made my ruling and I clearly understand it.

Mr. Renwick: Mr. Speaker, on a point of order: Under rule 33(a), the Minister of Consumer and Commercial Relations (Mr. Elgie) has not presented the reports of the registrar of loan and trust corporations for the years 1980 and 1981 as required by that order, nor has he given any reasons for the delay in presenting those reports.

Mr. Conway: That rule just castrates this whole process, and I really resent it.

Mr. Speaker: The last report we have is for 1979. I referred to it in the decision. That is the only report that can be considered, because it is the latest one that has been presented to the House.

Mr. Renwick: All I was drawing to the attention of the House was that the minister is in default under the standing orders of the House, because the petition required us to refer to a 1979 report rather than to the latest available report, which this House should have had for the purposes of that reference. It is passingly interesting that the Legislative Library has the 1980 report but the report was never tabled in this House. There is no sign anywhere as yet of the 1981 report.

Mr. Conway: Mr. Speaker, on a point of privilege: I end my participation in this by registering my strong, deep personal protest at the underlying reasons for the second part of your decision. As I interjected loudly to my friend the government House leader (Mr. Wells), it is a castration of the whole process. I resent it entirely as a private member of this assembly. Frankly, anyone who knows anything about the operation of whips in this place knows just what a nullity, in many respects, we have made of this whole process as a result of that ruling in this second instance.

Hon. Mr. Wells: Mr. Speaker, on a point of privilege: My friend mentioned my name in this. I mentioned in my comments to you, sir, that I did not believe there had ever been a petition that, as well as referring it, also referred to what the terms of reference of the committee would be in the consideration of the report. I am perfectly willing to be shown that there is such a petition, but I can recall many petitions in which no terms of reference have been set.

The point is that we are not changing anything here today. We all knew when the Ministry of Health report went down that Ontario health insurance plan premiums would be considered. When numerous reports were referred, we all knew what the matters were going to be

that were going to be considered; the committee then sets its own priorities.

That same procedure is taking place here. A report is going down. My friends know what they want the committee to consider. They will then put those matters before the committee and ask that they be considered. I submit that it is unfair and a personal attack against us on this side to suggest that by the Speaker's ruling something is being changed today. I submit nothing is being changed.

I do not like being associated with some suggestion that we are doing something underhanded or are somehow denigrating the processes of this House by what has happened today, because we are not.

Mr. Speaker: I want to make it very clear that both the member for Renfrew North and the government House leader are out of order. I have made the decision based on the standing orders. What has happened in the past really is not relevant. I have made my decision based on the standing order which, I have said, is very clear to me. The decision has been made and we will abide by it.

[Later]

Mr. Conway: Mr. Speaker, on a point of order briefly to correct the record: Since our little contretemps here this morning I have had the opportunity to canvass the Hansard of March 9, 1978, at which time I introduced the first petition, I believe, under standing order 33(b) referring an annual report to a committee of this House.

I said at the time I might be wrong. As it turns out, I was wrong. That first reference did not include a specific agenda for the committee. I wanted to clear the air on that. I understand from some consultation since 11:30 this morning that the Clerk's office is working on a list of the previous references. I still maintain a memory of at least one or two that did contain that but, as well, I might stand corrected. I did want the record to be clear on that point.

ORDERS OF THE DAY

CONCURRENCE IN SUPPLY, PROVINCIAL SECRETARIAT FOR SOCIAL DEVELOPMENT

Mr. McGuigan: Mr. Speaker, we on this side of the House have often criticized the Provincial Secretary for Social Development (Mrs. Birch) as having a role that does not seem to amount to very much. If we look at the secretariat in its original form, it was intended to be an overall

superministry to govern the various branches that fall under its aegis. We have been wont to make the criticism that the minister has not really exercised a strong enough hand in that regard. I have come to change my views on that somewhat and would like to express them.

In every company there is a tough vice-president or a tough president, whatever level it is, who gets into the trenches, fights and goes ahead, regardless of personal feelings. Usually that same company will have a chairman of the board or a president who is above such nasty things. That person deals with the public and the press and carries the image of the company.

Perhaps the Provincial Secretary for Social Development has fallen into the latter role, and it may be a useful role in that the minister can be the conscience of the Social Development field. The minister, although at times she may have failed to express that conscience in the way she would have liked to, really is a person of compassion and conscience. Perhaps we should appeal to her on matters of conscience.

One matter comes to mind that is very much in the news at present, and I want to bring it to her attention. I refer to the made-in-USA Playboy programming to be shown on the First Choice pay-TV channel. It has been called, by the president of that channel, "adult entertainment." Critics, and most women, claim it is pornography. Lynda Hurst, a columnist with the Toronto Star, has pointed out the dictionary definition of pornography as "the depiction of erotic behaviour in writing or pictures intended to cause sexual excitement."

We have not seen any of these programs in full yet because they have not been aired, but we have seen flashes—I use that term advisedly—of that entertainment on regular TV. I think most thoughtful observers would conclude that they were simply for excitement because, as Hurst says, they have little else going for them.

11:40 a.m.

Most of us would agree that if it is not pornography at present, it has the potential to become pornography, especially as viewers become a little jaded with watching the same sights: after a while they become pretty commonplace and ordinary. From my own experience in watching TV and other forms of entertainment, I can say that I am pretty blasé today about things that I thought were pretty awful not too many years ago. As viewers demand more and more, there is a potential for this to become hard-core pornography.

At the very least, even what is being shown

today is demeaning and exploitive of women. As little as this government has done in the way of working for women, I still have to say that it has attempted to increase the lot and role of women in our society. Legislators, educators, religionists and women activists have been fighting to raise the stature and value of women in society. The type of pornography being flashed on the screen right now does exactly the opposite.

Under the obscenity provisions of the Criminal Code of Canada, entertainment scenes have to be sexually explicit before the province will press obscenity charges. I questioned the Attorney General (Mr. McMurtry) in the Legislature in November 1980 about a particularly offensive movie. He later ordered a showing for the police and subsequently ruled that the scenes were not sexually explicit, even though the movie showed scenes of women being sold in the setting of a livestock auction ring.

I will read the letter I received from the Attorney General, dated January 14, 1981, to myself.

"You may recall that during question period on November 21, you drew to my attention the broadcast of *Prime Cut* on CFPL-TV in London. Following your question, I asked the chairman of the Ontario Police Commission to review the matter with Chief Walter Johnson of the London Police Force. I have now received his report.

"I have been advised that CFPL arranged a private viewing of the film for a member of the vice and drug section of the London police force and the assistant crown attorney, Brian Farmer." At this point, I have to say that I appreciate the Attorney General going to this trouble, but I am not very well satisfied with the answer.

"Although the theme of the film involves murder, sex, white slavery and other forms of violence, those viewing the film found no explicit sexual scenes, no nudity and no obscene language."

It is a couple of years since this happened, and my memory may not be as sharp on it as it should be, but I recall the film opened with a scene in a livestock sales barn. It was the type of barn in which I have spent a good deal of my time, mostly buying livestock; I did not sell that way but usually bought stockers and feeders to take home to feed and slaughter.

It was a scene I was very familiar with. I thought: "This is going to be kind of interesting, because it is a side of life that many people do not regularly see. At last we are getting a little bit of publicity for the agricultural side of life."

But I found, as the buyers walked down the aisles and looked into these pens that should have held hogs, sheep or cattle, that they had women in them. In my view, particularly as the father of three girls, I found that rather obscene. The buyers came along and bought these women. One of them appeared to be drugged; the star of the show bid—I forget the price—then picked up a girl and carried her away.

There was nothing explicit about it, I suppose, in that they did not show the person being used in that fashion, although in the next scene she was seen waking up in a beautiful bed in what looked like the bridal suite of a very expensive hotel. From then on, she was treated in not too bad a manner, really. Nevertheless, the scene showing the person being sold as one would sell livestock—as a matter of fact, the title of the film was *Prime Cut*—I thought was rather explicit.

My question was, what would be required to have obscenity charges pressed? What would be explicit? I am not accustomed to using this kind of language, but it seems that to be explicit one has to show in exact detail every item of a complete sexual act. It seems that is what is necessary to be explicit.

I will just read on: "There were several scenes of persons being shot and scenes of girls being sold at auction, apparently for purposes of prostitution. Other scenes implying sex and violence were portrayed in such a manner that the viewer was left to imagine what had taken place."

I will digress for a minute. As a farmer, one of the most amusing scenes to me involved a large grain combine out in the field. One of the bad guys drove his car up to the front of this grain combine and actually shot the operator right between the eyes, as I recall. The operator slumped over the wheel. The combine kept approaching the man in the car and, through some miracle of imagination, the combine swallowed the car.

We could see the car being chewed up in the beaters of the machine. I see my friend the member for Oriole (Mr. Williams) is laughing. Out of the back of the machine came the car all baled up. Of course, we do have farm balers that bale hay and straw, but we do not have a machine that will take in a car like this one and throw out a baled car at the back. That was about the only point of amusement in that whole movie and one of the points where we might say they were dealing in fantasy. Everything else was pretty plain.

The Attorney General went on to say: "The film had apparently been edited prior to showing by CFPL-TV on October 31, 1980, and viewers were advised that parental guidance may be necessary due to the scenes depicted. Only one complaint was received by CFPL-TV and no complaints received by the police."

I can understand that. We have become so jaded and it has become so commonplace for us that it is readily accepted, or perhaps people say: "Well, what's the use? We can't really fight these sorts of things; we just have to accept them."

I am quoting again: "It was the opinion of the investigating officer and the assistant crown attorney that the film *Prime Cut* as shown on CFPL-TV on the night of October 31, 1980, did not contravene the provisions of the Criminal Code.

"I am certainly concerned about the whole issue of pornography and thank you for drawing this matter to my attention."

That was signed by the Attorney General.

11:50 a.m.

I would like to point out that on January 4, the Minister of Justice for Canada, the Honourable Mark MacGuigan, announced the coming into force of Bill C-127, which replaces the offences of rape, attempted rape and indecent assault with sexual assault, aggravated sexual assault and sexual assault with a weapon or threats to a third person.

Sexual assault charges can be based on offences ranging from touching to sexual intercourse, whereas under the old code full sexual intercourse, and that explicitly means penetration, had to take place before a judge would consider convicting an accused.

That whole system has been changed, and we have yet to see the results, but it is to be expected that there will be many more convictions under the new laws than there were under the former one, because there are many forms of sexual assault.

I happen to believe that any person, man or woman, is in control of his or her body. Just as putting your hand on another person and grabbing him by the shoulder is physical assault, so any handling, fondling or touching in a sexual manner is sexual assault. It is an invasion of privacy and an invasion of the wishes of that person, and it does nothing but demean and lower the value of that person as a person and it turns him or her into no more than an object.

In that area of the Criminal Code we have some relaxation of the requirement that a very

explicit act has to be performed before a conviction can be registered. I believe that to balance that in the area of obscenity in entertainment, we somehow need to take out the requirement for an explicit act. I realize that is very difficult, because we are dealing with ideas and concepts and these are hard to define. Nevertheless, if we are going to raise the level of our regard for womanhood in our society, we somehow must come to grips with a concept as being socially explicit and socially obscene.

I ask the Provincial Secretary for Social Development to confer with her colleagues in the cabinet, particularly the Attorney General, to see whether, by getting together with the federal Minister of Justice, it might be possible to come up with some limits or parameters that we could use as a guide in these matters.

I am really not asking for censorship in this regard, although I do not see why it would not be appropriate to ask for censorship, because we do have censorship in the movies that are shown in movie houses. I know that while there are some differences in things that are shown in homes, because we do regard our homes as our castles, nevertheless I do not think that absolves us from being concerned about these matters.

What I am asking for is some limits so that the people who are concerned in this business will know they can only go so far and so that the public out there, either through the police or acting on their own, can call us to task by laying charges.

Of course, it would come before a judge for the judge to determine whether or not obscenity had occurred; it would not be the prerogative of the person laying the charge to decide it. The person might believe that obscenity has occurred, but a judge would decide, just as in our highway traffic laws we have speed limits that say what is expected to be the upper limit of the speed you travel on the highways. We do not put a policeman in every car, we do not catch every person who drives over 60 miles per hour; but still some are caught, and it is generally accepted among the public that that is the limit.

I ask the provincial secretary to take that on as a matter of conscience, and I think we can look to her as a person with conscience in the cabinet. As a woman herself—not that women's rights should be fought solely by women, by any means—and as a person who understands these things, she is the obvious person to carry this through. I would appreciate any comments she might make later on.

I want to bring another matter to the minis-

ter's attention. It is a letter I sent to her, and she is acquainted with it. It relates to a local matter in my riding. A constituent, Paul Theriault, a citizen of Ridgetown, has recently published this Blissymbolic Book, Part 1, The Birth of Jesus. The author gave his work-time as a labour of love for the Kinsmen Club of Ridgetown and for handicapped children. They were assisted by other service clubs, and they paid the publishing costs of \$5,500 for this book. Eleven hundred copies of the book have been distributed free of charge to Bliss users and teaching institutions throughout Canada and other countries, and 90 per cent were distributed in Canada.

This gentleman now has translated the story of Romeo and Juliet, and it will cost approximately \$12,000 for 2,000 copies. The Kinsmen Club feel they cannot approach the people of Ridgetown for a second donation; so I wrote the ministry asking whether they would consider the funding of such a work.

I appreciate that in these times of restraint we have what many might say are more compelling causes for the expenditure of money. Certainly we do have economic troubles here in Ontario, and I guess on another occasion I would blame the government for its share of them. We have to recognize that it is also a federal problem as well as a worldwide problem; we will soon have some 32 million people in the industrial world out of work. Thus one might say that every cent of our provincial money should be directed in those ways.

Yet throughout these difficulties it remains a mark of our civility and of our civilization that we must not abandon every other pursuit. We have got to show that even under these difficulties we can spend some small amounts of money in other ways. I ask the minister to do what she can in this instance. I believe she is working on it, trying to do whatever she can.

12 noon

There is another concern that comes to me from time to time in my riding. I am sure every member in this House is faced with this. Perhaps those in rural and outlying ridings have more of a problem than city members. It concerns those people who are receiving welfare under the General Welfare Assistance Act. The requirement is that people must be actively looking for work. I do not think there is any person here, myself included, who would quarrel with that requirement. Public money is being spent that is taxed away from other people and those people have the right to think the people receiving the

money are doing as much as they can to help themselves.

I have two towns in my riding whose main industry in times past has been woodworking—producing flooring, furniture and supplies for furniture—because they are in an area of hardwood forests. However, today a good deal of that hardwood lumber is imported from across the lake in Pennsylvania.

The point I am making is that these towns are very small, with around 1,000 population. There are a lot of retired people living there, and the minimum amount of industry. One might describe them as residential towns, though some of the people there might be offended by my calling them residential. They are certainly doing as much as they possibly can to attract industry. These towns are a fair distance from other major centres such as London, St. Thomas and Chatham. They are equidistant from those centres.

It is very difficult for a person there to keep presenting a job-search record, because there are only a certain number of restaurants and stores. These industries are, surprisingly, working at a very high level, but they are not at a point where they are hiring more people. So welfare recipients make the rounds in town, go to a dozen or so places and that pretty well exhausts the possibilities. The surrounding farmers, who have very little work at this time of year, do not offer much opportunity for these people.

So they go back when they get their next welfare cheque and are told, "We do not want the same people, we want new people." In order to qualify as new people, they have to have transportation to go another 30, 40 or 50 kilometres and require transportation around the city. As every member knows, those cities have their own employment problems. There are thousands of people there who are out of work and on benefits of various kinds. The chances of finding work in this situation are about as close to nil as they can be.

My request is that the minister try to use her influence to bring a bit of compassion to these situations. They may not be unique to the people of the towns I represent, I have no way of knowing, but I think the minister would have to agree it is much more difficult in towns of that size in a rural setting than it is in London, Kitchener, Niagara Falls, Toronto or Oshawa.

I have another question that is a matter of some conscience. I have had a running battle with the Minister of Health (Mr. Grossman) on

this matter. He has expressed some concern and has said he is not satisfied with the situation. I think perhaps there are other members on this side of the House who have faced this same problem. In spite of the minister saying he is not satisfied with it, he has not taken any action or offered any suggestions that would relieve the situation. I refer to the matter of the sale of nursing home licences.

The background of the story is that a decision seems to have been made by most people in the industry that a nursing home needs about a minimum of 60 beds to have the economy of scale to be able to buy the services and goods required by those institutions at reasonable rates. That is supposed to spread the bed costs or the administration costs and perhaps make it possible to offer fuller programs to the people in those homes.

We do not quarrel with the objective of trying to give the very best in social and humane services, and of maintaining the safety of those homes; we do not quarrel with that one bit.

I point out that I represent part of Kent and part of Elgin but, taking Kent as a unit, this has now meant that four smaller nursing homes have been sold. Three of them moved to the city of Chatham and one to the town of Wallaceburg. The smaller communities, and I am speaking of Ridgetown which has a population of about 3,500, are now without a nursing home.

What is worse than actually being without the home is the trauma of seeing a home moved. Great relationships have been established between people in the town. People have visited a home on a regular basis even though they did not have relatives as patients or residents in the home. As a matter of extending themselves in the community and doing some good social work, once a week they would visit these places. Relatives in Ridgetown and the surrounding areas found it much easier to attend the home because of its proximity.

However, the home in question did not meet the standards. It met a great many standards as far as loving care is concerned. There is no question about the loving care that was given to the residents. There were a great many questions about safety. In the words of one of the local people who examined it, "It was probably the safest home in town." In spite of all that, it did not meet the requirements so the licence was sold.

The going figure usually used is about \$10,000 a bed, although the purchaser said it was more like \$9,000. Regardless of the price placed upon

that bed, it offends my conscience and I hope it would offend the minister's conscience too that nursing home beds can be sold as one would sell taxi, trucking or so many other licences that we use in the commercial trade in Ontario. My contention is that if a nursing home does not meet the requirements and fails to live up to the standards set for it, that licence should be withdrawn.

12:10 p.m.

In the case of a smaller town, it should be at least offered to someone else who would build a home in that town. It might happen that no one would come forward to build a home in that town because they too might say: "We do not have enough beds here. We do not have the opportunity to amalgamate it with others and therefore it is not a going commercial affair."

I think the minister would agree they should at least be given the opportunity and they would have the advantage. The one I had in mind was 37 beds. If we place a \$10,000 price per bed, or even less, it comes to somewhere over \$300,000; and that went to the purchase of a piece of paper rather than the purchase of bricks and mortar. I suggest that is a system that really is unconscionable and should be changed.

I was tackled one day by one of the members of the local health committee who told me I had made a great error in coming down on the side of the people who wanted to retain the home. I gave him a piece of my mind. Perhaps he felt a twinge of conscience himself.

He said the home had not been in compliance for nine years. We had the act at that time for only 10 years. He knew as a member of the local health council that they had been nine years out of compliance with the act. Surely that was time enough that a decision could have been made to have cancelled that licence, perhaps long before the operator put as much money into the facilities as he did and before he actually became trapped, because in the economic system the minister's contention is, "He has so much money invested in this building that we have to give him a chance to get out of it."

I can see a little bit of argument for that, but surely if those things had been done when they should have been done that situation would not have developed. I think I have covered the main matters I had on my mind. There are many others that could be brought up in this area. Perhaps they might be more appropriately brought to the various ministries. I look to the minister as a sensitive person who has a conscience. I do not know whether she wishes to assume that

role but I think I am on pretty safe ground when I say she is such a person. I look to the minister for some answers in this regard.

Mr. McClellan: Mr. Speaker, I do not want to take up a lot of time this morning but there are a couple of concerns that in a way are follow-up concerns I want to raise with my friend the provincial secretary. There is a certain sense in which this perhaps may be the last set of estimates; I do not know.

One of the things I want to try to pursue again, since I have been pursuing it since 1977, is the question of the perpetually vanishing provincial home support policy.

The minister is aware of the origins of the search for a provincial home support policy. It happened when Darcy McKeough was the Treasurer and he had the bright idea of taking a close look, for whatever reason—I guess it was part of his cost-cutting obsession—at elderly persons' centres. He saw these centres being funded by various ministries and came to the conclusion that they were identical with services that were being funded by other branches of the government through municipal recreation services.

He commissioned a report to look at them, which said: "Yes, you are right. There is duplication. Some elderly persons' centres ought to be eliminated." That produced one of the great hubbubs in Ontario, certainly since when I was elected in 1975 and now. We all remember the outrage that was created when the provincial Treasurer mistakenly took a potshot at elderly persons' centres.

Out of that hubbub and the concerns that were identified in the Anderson report in 1976 with respect to the discombobulation in services to the elderly, the province decided to adopt a coherent set of policies with respect to services to the elderly; and part of that was to be a provincial home support policy that would include elderly people and other population groups that need these services—the physically handicapped, for example.

I think that process was initiated in—the minister may be able to help my memory—1977, although it may have been 1978. There had been a series and a round—at times it seemed a perpetual round—of green papers and discussion papers and consultations. After the first consultation there was another discussion and another consultation. Literally thousands of people across the province have been tied up in this process for the last six years.

My question is, and I do not think it is an

unreasonable question, where is the policy document? The minister has had the discussion papers, consultation processes, the second set of discussion documents and the second round of consultations. There have been interministerial meetings until I am sure everybody is blue in the face and yet we cannot get an answer to the question: Where is the document?

We still do not know what provincial policy is. That means very simply that we still do not know who is supposed to do what. What ministries are supposed to be responsible for what services? Who is the lead minister for home support services and for which population groups? How are they going to be paid? Who will co-ordinate the services at the local level? How does somebody who needs home support services plug into the system so they get the service they need? Who makes the decision with respect to what service they need? What are they entitled to and who pays for the service? Is it going to be a welfare service based on a means test? Is it going to be an insured service based on universal coverage under medicare?

These are very basic and important questions. All of the thousands of people who work in the field are entitled to know the answer. What is government policy? I am not even debating what the policy should be. I have given up. One cannot debate when one does not know what the opponent's position is. I do not even know if we are opponents in the thing. It may well be that the policy is very progressive. That is a remote possibility but one's hope springs eternal.

Hon. Mr. Gregory: Nothing like being biased right.

Mr. McClellan: I am always nonbiased.

I will not go back to the beginning but I will start at 1981; this is only 1983 after all. On page S-107 in the estimates of the social development secretariat, I asked the minister in her estimates in June 1981 to please comment on the home support legislation. Do not forget we were promised a package of comprehensive legislation that would flow out of the policy.

The minister said, and I am quoting directly: "Yes, I will boss. You have hit upon a sensitive area. You know very well of the entrenchment of certain programs within certain ministries and the difficulties in bringing about a meeting of the minds." This, I add in parenthesis, is four years after the process had started.

12:20 p.m.

I asked her in June 1981, "Are you going to produce a white paper, or what?" She said, "I am not just sure it well may be." I said: "When are we going to have some indication of what government policy is? We have been waiting now for three years." The minister said, "Do I dare say, in the fullness of time?" I said, "No." She said, "I would be safe in indicating to you two or three months." That would have brought it to September 1981, by my reckoning.

I backtrack briefly, because the government had hoped to be able to announce the new home support policy during the 1981 election; but because they could not achieve the so-called meeting of the minds, which it is the responsibility of this provincial secretary to try to facilitate in the policy field, because that meeting of minds did not take place between the Ministry of Health and the Ministry of Community and Social Services, and I guess the Ministry of Citizenship and Culture was involved as well, there was no policy.

When the minister promised the policy two or three months after June 1981, that remained an illusory vision as well. I pursued it in the Ministry of Community and Social Services in October 1981, and I asked that minister where the policy was. During his estimates he said the overall policy would be announced very soon; but it was not.

So in June 1982, I asked the provincial secretary in her estimates: "Where is the policy? When will the policy be released from the closet in which it has been languishing for so long?" The minister said, "I think just as soon as they have finished the consultation process." This was in June 1982, five years after the consultation process has begun.

Then she said, and I am quoting directly from the sacred text: "As I indicated, that will be finalized in July some time. Hopefully thereafter, the announcements will take place as to the different areas where the program will be implemented." She also said, "I am sure when you are doing the estimates of the Ministry of Health, which will be following our estimates, at that time the minister will be able to elaborate more on the policy." She said that on June 22, 1982, at page S-387. But, of course, it was not announced.

So I pursued it with the Minister of Health (Mr. Grossman) this fall in the estimates of the Ministry of Health, since the provincial secretary had said, "I am sure the minister will be able to elaborate more on the policy." The secretary said that in June, so in the estimates which are currently under way in the standing committee

on social development, I asked the Minister of Health where the policy was. This was on December 15, 1982.

The Minister of Health was not very discreet. I do not know whether the secretary has had an opportunity to review Hansard. I said to him, "I am hoping that you can give us some idea when the overall policy will be made available." The Minister of Health said: "Again, while Mrs. Birch has said that I might be able to give more details in my estimates, the whole point of her operation is obviously to try to pull the ministers together to handle that overall policy. I can, of course, speak only for my component of that overall policy."

He said: "I have to believe that it has had some success. Whether or not it has resulted in a policy document which Mrs. Birch has referred to on several occasions, we have done our work and I think other ministries have too."

Is there a policy or is there not? The Minister of Health does not seem to think there is, and I am really beginning to wonder whether this is not all some cruel practical joke that is being played on people. The minister engages in a perpetual series of consultations with the promise of a coherent provincial policy. Her job is to develop provincial policy. That is what she is paid to do, among other things.

The Minister of Health continued his indiscretions on page 688 of Hansard on December 15, the estimates of the Ministry of Health:

"The absence of the public release of the overall strategy from which we are working is something which—I hate to say this to you, but it is the responsibility of the secretariat which brought the people to co-ordinate it. I would also make it clear that in terms of a single comprehensive document, I have been briefed on many of the components of that discussion and the review. I haven't seen the single document myself."

Oops. Whatever happened to the policy? He has been briefed on bits and pieces of it. Does it exist or not? So I asked the Minister of Health, "Does it exist?" The minister said: "I believe it exists. I don't know if a single document exists in the policy field as of today."

I have lots of patience. I have been here eight years and I am not going anywhere, I don't think. But I think the people who are providing service in the field have a right to ask: What is provincial policy? What are the funding mechanisms? What are the co-ordinating mechanisms? Where is the package of enabling legislation to make it possible to provide home support

services on an orderly basis? Where is the policy?

I simply ask the provincial secretary again today, please do not pass the buck this time to the Minister of Health, because it is obvious the Minister of Health can be quite surly when people pass the buck to him. He simply passes it back. He has passed it back to her and he was quite curt about it in the estimates.

So I would ask her again: where is the policy and when will it be made public? I hope this time she will give us a coherent answer.

Mr. Haggerty: Mr. Speaker, I want to address myself to the minister's concurrence and perhaps pick up what my colleague the member for Kent-Elgin (Mr. McGuigan) discussed previously, and that is the situation of nursing homes and homes for the aged.

I am sure the minister is well aware that in the Niagara Peninsula there is a shortfall of beds in both areas. I was a little bit alarmed this past year that there were 20 beds in a nursing home in Ridgeway, Ontario—that is the town of Fort Erie—where, through some measures of the government regulations for the safety of the patients, the owner had to renovate the place to bring it up to the standards of the fire code under the Nursing Homes Act.

I can recall that seven or eight years ago the same notice went out to the owner of the nursing home in Ridgeway and changes were made. Of course, it was an older building, but it provided a much-needed service for the elderly people in that municipality.

Lo and behold, the person responsible for the home decided she was not going to spend any more money on the older building, and she bowed out of the nursing home services. But by bowing out, not providing the services and not offering the home for sale locally—I am sure some other person would have perhaps had the opportunity to continue with the 20 beds allocated to this nursing home—it was sold to another nursing home operator from Hamilton. Those 20 beds left that municipality and went someplace over around St. Catharines or around the Grimsby area.

12:30 p.m.

Meanwhile, a study was done by the health council informing the ministry of the shortfall in beds in nursing homes and in homes for the aged. I believe 90 or 100 beds were supposed to be allocated between the city of Niagara Falls and the town of Fort Erie. That meant 20 extra beds left the area, and I do not know what this

government is going to do about providing accommodation for the elderly there. As our population is aging, severe difficulties will be experienced. I have written a letter to the Ministry of Health expressing my views on the matter of licensing. A licence is a privilege in the sense that it gives one an opportunity, for example, to drive a car under certain rules and regulations. If one cannot live within those rules, the licence is removed, but it is not for sale.

I can see in the very near future the private nursing homes in Ontario having a monopoly in the field. It will become more costly to persons who require resident care in nursing homes. The costs will be prohibitive, so in no way do I encourage or suggest the government should permit the selling of bed licences. The homes paid nothing when they came into business and they should not receive anything when going out of business. The licence should pass on to another person who wants to operate a nursing home in Ontario for the benefit of the elderly.

I do not think the same principle should be used as is used for a person wanting to buy a tavern or a hotel. Sometimes a building may be old and perhaps has an historic value, and the cost of a liquor licence makes the business more profitable, but I do not think we should put licences for nursing homes in the same category as that those given by the Liquor Licence Board of Ontario. I resent the government encouraging this practice. There is certainly going to be a monopoly that will cost people a large amount, and perhaps some will not be able to get nursing home care.

There is a shortfall of beds in hospitals for chronic patients. I am sure the minister is aware of a person who is most dedicated in this area, the director of homes for the aged in the region, Doug Rapleje, who was on the senior citizens advisory board from which reports came out quite often over the past couple of years. I believe that committee has wound down now.

Another of the concerns I hope some government member will seriously consider is the crisis in employment opportunities for many young people in the province, particularly between the ages of 18 and 25, those who have graduated from secondary schools and have taken a post-graduate course in colleges or universities. There are no job opportunities for many of them. That is a crisis. I have sat in with my colleague on the youth unemployment crisis task force on two or three different meetings. It is a sad situation to find many of these young

people are unwanted in our society, not needed, irrelevant to the needs of jobs in the area.

That situation is increasing considerably in the Niagara peninsula where we have one of the highest unemployment rates in Canada, about 21 per cent. If we took away the work-sharing agreements many industries have with the government, unemployment would be much higher, about 25 or 26 per cent. The crisis facing many young people in Ontario is being ignored. The so-called free enterprise system has failed completely. It is a failure in that more consideration has not been given to creating jobs through some form of industrial development. I suggest there is a good lesson to be gained from the time of Franklin Roosevelt's reign in 1935 when the New Deal came forward.

I am sure the minister is aware that Roosevelt came out with a program to assist many young persons for a two-year period who might never get a job otherwise. The jobs he created came under the three Cs program—not conservative, but Civilian Conservation Corps. That was one of the best programs that ever came out of any government. It put many young people back to work and provided an opportunity for them to be useful citizens.

They were not getting a handout; they were doing something good. They went out on a reforestation program and the payoff today has been great to the government and people of the United States. Now they are having their second cutting in the forest industry as a result of the reforestation through that program.

I do not have to tell the minister of the backlog in the reforestation program that needs a big push in Ontario. Reports from professional foresters are coming out saying that in the next 20 years there will be a crisis in the forest industry in Ontario. They say we will not have additional resources coming on stream to feed the new plants that are being built in Ontario.

If the minister really wants to get into a good program for a period of two years, he should design a program that could be called Civilian Conservation Corps so they could be doing something useful.

The reports and studies that came out of that project back in 1935 said many were given an opportunity to advance. At least they had some experience in a job and that is one of the problems with young people today. Every time they knock on the door of industry they are asked what experience they have. They can have all the degrees they want but they do not have the experience.

In our social climate today with the depression we are in, many persons who have experience cannot find the jobs they need. My point is there are many youths in Ontario who want an opportunity to be employed and to have some form of security. I do not think they want welfare. They should be given a chance to do something. The government should come up with a program that is really going to pay off, maybe not in five years but after 10, 15 or 20 years. It will pay off later and many of those young people will be able to say, "It was through my efforts and the government's efforts that we have the second and third cutting of forest industry products here in Ontario."

I suggest this is an area to take a good look at. It is good to have the temporary programs for the summer months for students in school. That does help a little and gives them some encouragement that there might be a brighter future for them. But I suggest that for those persons who cannot get a job, and feel they are unwanted in our society, we have to take a serious look and find something for them.

If one ever travels the countryside, by rail in particular, one looks at the waste in scrap steel that is sitting outside. We could call in an environmentalist corps in that area. Often people say, "How come Japan does not have the problem of industrial pollution that we have in Ontario and throughout Canada?" A good lesson to learn from Japan in this area is that almost their whole industrial society is based on recycling of waste that we throw away in Canada and in the United States.

They buy tons of scrap steel. From my experience on the committee dealing with the Inco layoffs in 1977 we found out that Japan has no mineral base at all. We wonder how it can come to be one of the top industrial nations in the world. They will take scrap nickel and refine it to get the nickel. Perhaps they will get some cobalt and steel out of it too—out of things we cast aside. They have been able to capitalize on what we call trash.

12:40 p.m.

I think of the metal that is laying around. I think of the Minister of the Environment who a few years ago was going to clean up the countryside, the backyards of every home and get rid of the scrap automobiles. They are still out there, so something has to be done in this area. Perhaps if she put a good team out there, they would want to do something useful in beautifying the province—to keep the promise to keep it beautiful.

I bring these suggestions to the minister's attention. I know she is concerned in this area and I hope she will listen to these suggestions and come up with a good, concrete program for the many unemployed young people. She should at least give them some encouragement and let them know we are concerned about their future and their security which, in the long run, will bring productivity and employment for Ontario's future growth.

Ms. Bryden: Mr. Speaker, I am afraid we are running out of time to deal with this concurrence if we are going to hear a response from the Provincial Secretary for Social Development.

There are a couple of points I would like to ask her to comment upon. In the absence of any cabinet minister being designated as responsible for women's issues, we tend to expect the minister to speak on those. A great many of them such as day care, welfare rights, home services, cultural programs and so on come under her purview, but she has been amazingly silent on very many of these issues that women are greatly concerned about. Pension reform is another one.

Particularly I would like to ask if she is intending to take any position on the proposed programming by First Choice pay-TV which will, in effect, make that programming a branch plant of the American porn industry. I think this is something we should be looking at very carefully.

Has she written to the Canadian Radio-television and Telecommunications Commission expressing the concern of a great many women in this province? This concern has been evidenced by the demonstrations and the letters to the editor expressing the indignation of women about the proposal to make programming which really demeans women, and exploits women as sexual playthings, a part of what would be a family channel. I am not necessarily suggesting she should urge censorship, but I think the possibility of alternative channels for those who wish to buy this kind of programming is one route.

The minister does have the power to refer questions of this sort to the Ontario Status of Women Council for advice and consultation. I wonder if she has considered doing this so that we can get answers to the questions of how to get a limitation on this kind of pornography, and on this kind of demeaning programming which will lead to attitudes towards women that are definitely not acceptable in our society.

The second point to which I would like a

response is that the Ontario Status of Women Council has done a review of its operations. In the latest annual report, which is for 1981-82, it comes up with nine recommendations for changing the work of the council. The council is due for a sunset review on March 31, 1984, so there is not much more than a year in which to consider and make changes.

I think the council, after considering the matter very carefully, has come up with nine very important recommendations for making it more viable in terms of staff, funding, having a full-time director, having expert personnel at its command, and a broader means of choosing the members of the council by contacting women's organizations throughout the province.

In addition, the recommendations envisaged much more involvement by the council in government policy-making. It has been evident for the past several years that the council is simply ignored by the government. Some of the disabilities under which it has worked are a very low budget, a small staff, and no full-time director. I would like to know the minister's attitude to those recommendations. I will leave those two questions for comment by the provincial secretary.

Mr. G. I. Miller: Mr. Speaker, it gives me some pleasure to rise and speak on the concurrence for this ministry. There are a couple of things I would like to bring to the minister's attention. She is the co-ordinating minister for services such as those for the mentally retarded, and I would like to give her some examples of things that have occurred in our area. The Norfolk association for the mentally retarded has been a leader in the field of bringing those people into the municipality. We do have two homes in Simcoe—Le Manoir Nursing Home, which is privately operated, and Colborne Residence, which is providing good facilities within the community itself. These people are doing a good job in the town of Simcoe.

Another home in Dunnville is providing the same service for the association for the mentally retarded for Haldimand, and it has a workshop at York, providing work for some 30 people. It has moved into new facilities. Again, in Norfolk, there is a workshop, Arc Industries, providing work for 50 people. There is a waiting list for both these facilities. That is an area we can co-ordinate and expand on.

As we are closing the existing facilities around the province, I would like to mention an example. We have White Oaks Village at Hagersville, which was a training school, on about 50 acres

of land, serviced by water and sewer. Perhaps such an area could be brought into play by using it for a facility such as we will probably need to take care of the handicapped. There is not only a working area but also an area that can be dedicated to agriculture. The handicapped can work outside and use their talents, not only as they are doing now in carpentry work, baking and handicrafts, but in agriculture.

There is nothing more stimulating than being able to do something creative with one's hands and with the soil. In a time when we are looking for opportunities to provide employment, which is so important as many members have pointed out, that is an area that could be tapped.

Another thing that has been of concern to me is providing facilities for our senior citizens. Again that has been brought to the minister's attention this morning by various members, such as my colleague the member for Kent-Elgin. We have many small municipalities, and I will give some examples in my own riding. There is Jarvis that does not have any accommodation at present, Cayuga and Port Rowan. The minister is well aware that there is nothing like spending your retirement years in your own municipality.

12:50 p.m.

Why can we not use some of our existing buildings, such as schools that have been closed? Maybe they can be turned into senior citizens' centres where people can look after themselves. Maybe the ones who do need services could live as couples in a dignified manner. The ones who do not need services could use the kitchen facilities that are already there.

I can think of another facility in my municipality of Jarvis that may become available, and I know there is considerable interest by the community, the church organizations and the clubs. I know many of them are looking for projects to utilize and expand their very good work in the municipality.

If some funding were provided from her ministry under her direction or co-ordination, it could encourage them to help themselves. All they need is some leadership, and clubs such as the Lions Club, the Rotary Club and the Kinsmen Club are only too willing to provide services to communities for both young and old. Her ministry could show a little more leadership in that field by making sure we do have facilities to take care of our elderly, because that percentage of the population is increasing yearly.

It is going to provide employment for people who may not have the talent to get into the

world of the computer, and I think we do have to think of that part of the population who want to contribute and provide for their families and their future.

One final thing—and I would like to give the minister an opportunity to wrap this up—is that agriculture in the region was particularly hard hit last year by a devastating frost in August, the earliest in 50 years. It has made havoc of work that provided employment and accumulated credits for unemployment insurance. The situation has increased the welfare roll by something like 70 per cent, and the number of unemployed looking for jobs at the Simcoe office has almost doubled in the last few months.

While we have been allotted something like \$560,000 for the six municipalities and the region of Haldimand-Norfolk, it certainly is not reducing the welfare rolls. It is not really having much effect on overall employment in the area. I think we could use more funding, working along with the region, the area municipalities, the conservation authorities and local employers to provide more opportunities for employment in that area.

I would like to bring those things to the attention of the minister, and I hope she will take them into consideration.

Hon. Mrs. Birch: Mr. Speaker, I would like to begin by thanking the member for Kent-Elgin for the confidence he has placed in me in being the conscience of the social policy field. It is a very onerous responsibility and, like everyone's conscience, it is a very private thing, I guess because of the low visibility of a provincial secretary. The holder of that office seems to get attention only when it is a critical or very negative area but rarely is given any attention when positive things are developed. I really do appreciate his understanding of the role of the provincial secretary and how she has to tread a very fine line in co-ordinating policies within our particular social policy field.

I am very pleased that he raised the whole issue of pornography, as did the member for Beaches-Woodbine (Ms. Bryden). It is an area that gives me, personally, a great deal of concern. As the provincial secretary I have been very concerned about what is happening to the family in this province. Being very much aware that what happens within our own homes sort of puts a stamp of approval and acceptance by all of us, if we allow the kind of paid private showings to happen in our own homes it appears to me that as parents, we are, in fact, approving.

Other examples of approval given within the

home are social drinking, smoking and many other characteristics that I think are very damaging to family life. I am very discouraged that the Canadian Radio-television and Telecommunications Commission would give approval to a company which I understand indicated well in advance that this kind of programming would be developed.

Yes, I do intend to make our position known. I assume, although I have not talked with the chairman of the Ontario Status of Women Council, that they too will be concerned and will be making an approach to those responsible for licensing this kind of programming.

I think it is wise that we speak out well in advance, because for someone who does not have an opportunity to watch television very often I find myself appalled at what I am seeing coming across the television tube these days when I do have an opportunity. The language and explicitness of the actions I see being portrayed—perhaps I am old-fashioned but I find it appalling. I am concerned that we are allowing it to go even further by encouraging and permitting this kind of programming for family members to see.

It is all well and good to say: "You can turn it off. You do not have to let your family view it." But the very fact of having it come into one's home I think speaks to the whole issue. I am extremely concerned about it and, certainly, will be voicing my opposition to this kind of direction in pay TV.

As members know, the Board of Censors in Ontario is responsible for checking out, as a community service for all of us, and determining content of the movies that we are seeing in this province, but they have no right at the moment to view what would be available through pay TV. I do not think they are looking for that kind of concern.

The member also spoke about the constituent who is involved in providing, through Bliss symbols, books for those who for the very first time are able to communicate and read. This is an area of real personal interest to me because I have observed for a few years the development of this communications program at the Ontario Crippled Children's Centre. We were able to provide them with additional funding to encour-

age them to proceed. I empathize very much with this gentleman's program for providing more in the way of communications. We are certainly trying to find a way of helping him to provide that financially.

The whole area of jobs for young people is one that I have indicated is a real problem these days. I think some of the ideas the member for Erie (Mr. Haggerty) has shared with us this morning are some that we could consider. I know that in the forestry industry, the Minister of Natural Resources (Mr. Pope) has employed a lot of young people in the north; but we all know the numbers are great.

The Acting Speaker (Mr. Cousens): One minute.

Hon. Mrs. Birch: I agree with him that it is tremendously important for us as a government and as a society to be indicating to young people that they do have a tremendous contribution to make. We should be doing everything in our power to make them aware that we do care and that we must find opportunities for them.

1 p.m.

I dread to think of a generation of young people without the opportunity to work and to take part in what we are doing. We are attempting through our youth secretariat and through the government to provide as many employment opportunities as possible. As the Treasurer (Mr. F. S. Miller) has indicated, we will be expanding each month to meet that ongoing need as we see that conditions are either improving or deteriorating.

I can assure the member that everyone on this side of the House is just as concerned as he is in making sure that our young people do have the opportunity for meaningful work.

Over the years I think one of the great pleasures I have had is seeing the member for Bellwoods (Mr. McClellan) mellow. Today, when he called me "friend," I thought, "I really finally made it."

The Acting Speaker: I regret the time that has been given to this concurrence has been exhausted.

Resolution concurred in.

The House adjourned at 1:02 p.m.

APPENDIX A

ANSWERS TO QUESTIONS ON NOTICE PAPER

SUPREME COURT APPOINTMENT

262. Mr. Van Horne: Will the Attorney General table all correspondence between him and Mr. Ted Browne (defeated PC candidate in 1981) regarding his appointment to the position of Master of the Supreme Court in London? What is Mr. Browne's salary? What are the terms of reference for the position to which he has been appointed? [Tabled September 22, 1982]

Hon. Mr. McMurtry: Master Edward Rowan Browne was the successful candidate for the position of master of the Supreme Court, taxing officer and deputy registrar in bankruptcy for the London area and commenced his duties at the London courthouse.

The senior county court judge for the county of Middlesex provided a number of names for consideration to the senior master of the Supreme Court. Master Browne, being eminently qualified, was selected from a short list of candidates following interviews by the senior master.

As a master of the Supreme Court, Master Browne exercises jurisdiction in the following principal areas: (1) contested interlocutory applications and ex parte applications in general litigation; (2) contested interlocutory applications and ex parte applications relating to matrimonial causes; (3) general references; (4) mortgage references; (5) taxation of costs—solicitor and client and party and party; (6) bankruptcy; (7) mechanics' lien actions to be tried and pretrials and ex parte applications, when legislation is amended to authorize masters outside of Toronto to deal with mechanics' liens.

The main purpose in making the appointment of a master at London is to decentralize the bankruptcy court in Ontario. At the present time, with the exception of Ottawa, where a master has recently been appointed as a master and deputy registrar under the Bankruptcy Act, there has been one master of the Supreme Court of Ontario assigned to administer the Bankruptcy Act in Ontario. All bankruptcy matters within the jurisdiction of the registrar are heard in the city of Toronto, and all applications before the presiding judge assigned to hear bankruptcy matters must be brought in the city of Toronto. The volume of these matters has increased so greatly in the last few years that

adequate service cannot be maintained in Toronto.

It has been recommended that deputy registrars in bankruptcy be appointed in Ottawa and London, which would reduce the volume of matters being dealt with in Toronto by 25 per cent. The following list will show you the assignments filed by year with the official receiver for the bankruptcy divisions 5 and 6, in London: 1977, 800; 1978, 1,163; 1979, 1,380; 1980, 1,834; 1981, 2,169.

For the first four months of 1982 in the London area, there have been 990 assignments filed as compared with 710 for the same four months in 1981. In March 1982, there were 294 assignments filed, which is a record for that month to date. At the end of April, there were 5,081 files in Toronto for bankruptcy divisions 5 and 6, London, which were immediately transferred to London where the bankruptcy operations commenced on October 18, 1982.

A report of the superintendent's committee on bankruptcy in Ontario described the situation as follows:

"Centralization of the court discriminates against the creditor, the trustee and the bankrupt in that in each case the applicant in seeking a remedy in the bankruptcy court must come to Toronto from all corners of Ontario. There is an obvious expense factor involved in so doing.

"Some proceedings which should be taken are not taken because the expense in coming to Toronto either does not justify the proceedings or presents an additional financial burden which cannot be met. Creditors who reside outside of Metropolitan Toronto and who have a valid objection to a bankrupt's or a trustee's discharge, or a complaint concerning the trustee's statement of receipts or disbursements surrender that objection to the economic reality. The court in addition is denied the input of ideas, which is the basis of the growth of law, from solicitors outside of Toronto because of the expense incurred by applicants to the court in sending counsel to Toronto. The bankruptcy bar outside of Metropolitan Toronto is severely limited because there is no local forum for the hearing of bankruptcy matters."

There is at present a motions court in the city of London which means that there is already in

place the mechanisms and the clerical staff who are familiar with setting down matters and this knowledge can be used in the processing of bankruptcy applications.

For your information, bankruptcy divisions 5 and 6 cover the following counties: Middlesex, Lambton, Elgin, Oxford, Perth, Norfolk, Kent, Essex and Huron.

The annual salary paid to a master of the Supreme Court is \$65,700.

COSTS OF ANNUAL REPORTS

636. Mr. Riddell: Would the Minister of Agriculture and Food provide the costs associated with the production of the annual report of his ministry for each year from 1970-71 to the most recent year for which an annual report has been published? Would the minister also provide the costs of producing the annual reports of all of his ministry's agencies, boards and commissions for the same time period? [Tabled October 25, 1982]

Hon. Mr. Timbrell: Annual report, Minister of Agriculture and Food: 1981-82, unavailable; 1980-81, \$6,060.50; 1979-80, \$5,383.72; 1978-79, \$4,949.78; 1977-78, \$4,626.50; 1976-77, \$4,326.05; 1975-76, \$4,007; 1974-75, \$4,576.37; 1970-71 to 1973-74, records unavailable.

Annual report, Ontario Food Terminal board: 1981-82, \$2,000.

639. Mr. J. A. Reed: Would the Minister of Natural Resources provide the costs associated with the production of the annual report of his ministry for each year from 1970-71 to the most recent year for which an annual report has been published? Would the minister also provide the costs of producing the annual reports of all of his ministry's agencies, boards and commissions for the same time period? [Tabled October 25, 1982]

Hon. Mr. Pope: Communications branch budget for 1981-82 was \$1,057,000, which included the production of the annual report. For previous years, refer to public accounts.

CHARITABLE TAX EXEMPTIONS

682. Ms. Bryden: Will the Minister of Revenue detail the "many opportunities" within the Retail Sales Tax Act "to recognize the charitable and other similar institutions and the good works they do and the good works that come about because of their proceeds," which he mentioned in the Legislature on October 22, 1982, (Hansard page 4495), when replying to a question about imposition of retail sales tax on

UNICEF products and the handling and postage charges associated with their sale by this charitable organization? Can the minister indicate which of these opportunities are available to UNICEF? [Tabled December 9, 1982]

Hon. Mr. Ashe: The good works of charitable and similar institutions and organizations are recognized within the Retail Sales Tax Act and regulations by the following exemptions from tax and rebates of taxes paid:

In the area of publications, printed instructional materials purchased for the use of a charitable organization and not for resale, are exempt from tax. This does not include stationery, office supplies and so on. Film strips, videotapes and videodiscs used to promote the objectives of the charity and not for commercial exhibition or profit are also exempt from tax.

A special exemption from tax on admissions is made available to all registered charitable organizations as defined by paragraph 110(8)(c) of the Income Tax Act (Canada) and others, including nonprofit associations. Registered charitable organizations and nonprofit organizations staging live theatrical or musical performances are also exempt from tax on the labour and manufacturing overhead component of costs incurred in producing their own stage props, sets and costumes.

A rebate of tax paid is available to charitable organizations on their capital expenditures. The act provides for a rebate of tax in whole or in part to the governing body of a registered charitable organization for tax paid on tangible personal property that becomes part of their real property.

Charitable and nonprofit organizations may sell taxable goods at fund-raising events without collecting tax, provided that the number of fund-raising events held per year is reasonable and does not exceed \$75,000 per year.

I would add that the above exemption does not apply when the organization holds regularly scheduled weekly or monthly fund-raising events, or when the organization acts as a caterer at weddings, club dinners and so on. The exemption is also negated when the organization is in direct competition with commercial operators on the same site, such as at a fair or exhibition. In these instances, while the charitable and nonprofit organizations must charge tax on their taxable sales, they may purchase goods for resale on an exempt-from-tax basis.

It is also worth noting that the tax, when applied by the charitable or nonprofit organiza-

tion, is paid by the purchaser of their goods, not the charitable or nonprofit organization.

Charitable and nonprofit organizations are exempt from charging tax on accommodation and meals provided at summer camps operated for disadvantaged individuals. Meals provided by charitable or benevolent organizations for a nominal consideration or at no charge, from a centralized location or distributed in a manner such as Meals on Wheels, are likewise not taxed.

The act also exempts from tax the purchase of used clothing and footwear sold by charitable and nonprofit organizations when the total consideration for a transaction does not exceed \$50.

All of the exemptions mentioned are available to the United Nations International Children's Emergency Fund. However, UNICEF is not entitled to a rebate of tax on capital expenditures as it is not a registered charity under paragraph 110(8)(c) of the Income Tax Act (Canada).

It should be added that UNICEF received a remission of retail sales tax in 1980. This covered tax paid on their "official purchases" and taxable services dating back to April 11, 1977. This remission via an order in council recommended by my predecessor, the Honourable Lorne Maeck, amounted to \$30,608.19. At the same time, a regulation was put into effect that exempts United Nations agencies such as UNICEF from tax on purchases made with respect to the official purpose of the agency.

An agency of the United Nations such as UNICEF that is exempt from federal sales tax under provisions of the Privileges and Immunities (International Organizations) Act (Canada) now enjoys exemption from Ontario retail sales tax as well. This exemption from tax on purchases, which includes such items as stationery, office supplies and furnishings, is not afforded to other charitable organizations.

THE NEW NEIGHBOURHOOD

683. Mr. Philip: Would the Minister of Municipal Affairs and Housing table information on the number of copies of the 40-page booklet *The New Neighbourhood*, outlining an upcoming conference at the Royal York Hotel in Toronto, which have been printed? What is the total cost of preparing—staff plus office space and supply and printing costs—and distributing this booklet? How many staff members of the ministry were involved and for how many hours in the preparation of this booklet? What is the

projected total net cost to the taxpayers of the New Neighbourhood conference? [Tabled December 10, 1982]

Hon. Mr. Bennett: In the light of the broad range of sub-questions within question 683, it has been essential to provide Mr. Philip with an overall context of the subject as part of the reply to ensure minimum misunderstanding.

Reply:

The New Neighbourhood forum is co-ordinated by HUDAC Ontario Council and the Ministry of Municipal Affairs and Housing with the assistance of some 40 organizations and agencies from the public and private sectors. HUDAC Ontario is the banker and official exhibit manager of the event while the ministry co-ordinates the planning and promotion.

The major objective of such a forum is to enable idea exchange, information sharing and technology transfer among governments, professionals, lenders, developers and manufacturers on community development, housing, energy conservation and revitalization. This will hopefully enable more effective and cost efficient project planning and implementation, especially within a period of limited resources and increasing needs. Municipal officials can exchange ideas with architects, manufacturers and engineers at the same time.

Such a forum is specifically planned to ensure the broadest possible participation from the private and public sectors.

1. The event is scheduled to minimize potential conflicts with other annual activities of any of the organizations.

2. Registration fees are kept to a bare minimum required to break even. At a time of constraints, \$145 registration is extremely reasonable to most agencies.

3. Topics for discussion are developed with input from all sectors.

4. Emphasis is on educational programming. Unlike annual conferences, these forums do not feature hospitality suites, gala evening events and other social activities.

5. Most of the 210 speakers are nongovernment officials from across Canada.

Evening programs are also offered free to the public and delegates. Developed in conjunction with the city of Toronto, the evenings will feature clinics for home owners on how to save energy and how to deal with renovations, admission to all exhibits, panels on technical and conceptual issues pertaining to community development, and a free film festival. In 1981,

during a previous forum at the Harbour Castle Hotel, over 4,000 people attended such an evening program.

Brochure details:

1. Thirty thousand copies of the brochure were printed and distributed across Canada and the United States. Distribution was primarily to: some of the members of all the cosponsoring agencies which provided their mailing lists; registrants from previous conferences; people who called and requested a copy.

2. Mailing:

Portions of the mailing were done by the cosponsors as part of their regular services to their members.

Provincial costs: postage, \$17,500.56; staff handling/stuffing, \$1,993.25; total cost, \$19,493.81.

3. Printing costs: artwork, typesetting, \$6,551.70; printing, plates, \$21,152.02; total cost, \$27,703.72; deduction for provincial taxes, \$1,811.41; total, \$25,892.31. These costs are paid for by registration fees.

4. Preparation of brochure:

One staff member from the housing renovation and energy conservation unit, Ministry of Municipal Affairs and Housing, co-ordinated the preparation of the brochure copy with input from more than 65 individuals from a wide range of agencies. The work was done over a three-month period as a small portion of his regular duties.

No additional staff or office space were required for these activities.

As co-ordinator of these previous forums, he made use of his past experiences to minimize the time required for the task.

Forum costs:

Excluding staff time, the forum operates on a breakeven basis with anticipated expenses of approximately \$200,000 to be offset by revenues of \$200,000, which would require a sellout of the exhibit space—achieved on December 15—and a paid registration of 825. Since previous conferences in 1980 and 1981 averaged over 1,000, this does not appear unrealistic. In 1978, for instance, there was a net profit of \$13,182. Current registrations exceed 130 delegates.

Staff time is provided by volunteers from the ministry and cosponsoring agencies. Management of the forum is the responsibility of three staff members from the ministry but makes up only 35 per cent of their regular tasks. All panel chairmen and, with a few exceptions, all speakers are volunteers receiving compensation for only a portion of their travel and/or accommo-

dation expenses out of forum revenues. No staff are hired by the ministry for purposes of forum organization. No office space or telephones are rented for these purposes. All phone inquiries are handled by ministry secretaries as part of their normal activities.

The large proportion of volunteer participation from all agencies, speakers, etc., is one of the major reasons why registration fees for such a conference are low—\$145—at least 50 per cent below other similar types of events. This, in turn, will enable broad participation from organizations who will find the event more affordable than others.

SWITCHBOARD STAFF TURNOVER

686. Mr. Martel: Would the Minister of Government Services please table the staff turnover by classification in each of the last five years that has occurred at the Queen's Park switchboard, room 5540, Whitney Block? [Tabled December 16, 1982]

See sessional paper 344.

POCKET CALENDARS

689. Mr. Haggerty: Would the Minister of Government Services supply the following information:

1. How many pocket calendars were produced by the government for inclusion in employees' paycheques?

2. What was the cost of (a) preparing, and (b) producing these calendars? [Tabled December 20, 1982]

Hon. Mr. Wiseman: 1. The number of pocket calendars produced for the year 1983 was 101,000.

2. The cost for preparation and distribution, \$1,095.85; nine per cent federal tax, \$98.63; seven per cent provincial tax, \$83.61; total cost, \$1,278.09.

RESPONSE TO PETITION

FACILITIES FOR DEVELOPMENTALLY HANDICAPPED

Sessional paper 306.

Hon. Mr. Drea: The decision by cabinet to approve the five-year plan for the expansion of community services and consolidation of facility services was made with due consideration of all factors related to the provision of services to developmentally handicapped individuals in Ontario.

This is not a new policy direction for the

Minister of Community and Social Services but a continuation of a program of the development of community services begun in 1975. This effort, supported by the Ontario Association for the Mentally Retarded representing the 122 local affiliates across the province, has resulted in the successful placement of our 3,800 individuals from facilities into less restrictive alternatives in the community. The resultant reduction in institutional beds totals 1,400.

Over the next five years, as community resources continue to expand, an additional 989 beds will become unnecessary in the facilities system. It therefore is a logical step to begin to close some facilities and to consolidate the institutional care system for those who still require these types of residential and training programs.

In implementing this plan, parents have been assured that no individual will be placed in the community or transferred to another facility without the fullest consultation with the families involved. Also, no resident will be moved to the community without a properly supervised residential setting and a day-time work, training or activity program being in place.

The petition's conclusion that community placement can only result in confusion, upset

and regression is unwarranted and is not supported in our experience or in the literature pertaining to other jurisdictions. It should also be pointed out for the benefit of the petitioners that the facilities in our system are not hospitals. The residents are not sick and the majority of them do not require constant medical care.

The issue of the closing of "well-equipped, well-functioning" facilities is not the major one for the ministry. Our mandate is to provide quality service to all developmentally handicapped individuals in an efficient, effective manner, with the fullest of consideration of the needs of individuals and their right to have these provided for in the least restrictive environment possible. For many this will mean living in the community in a group home, apartment or other supervised setting with appropriate community supports such as workshops, adult protective services workers and family or home support programs. For others still requiring institutional care, the services of the 11 remaining facilities will be available.

I trust the foregoing responds to the concerns of those signing the petition and that they can understand more clearly my reasons for not being able to concur with their request.

APPENDIX B

ALPHABETICAL LIST OF MEMBERS*

(125 members)

Second Session of the 32nd Parliament

Lieutenant Governor: Hon. J. B. Aird, OC, QC**Speaker: Hon. John M. Turner****Clerk of the House: Roderick Lewis, QC**

-
- Allen, R. (Hamilton West NDP)
 Andrewes, P. W. (Lincoln PC)
Ashe, Hon. G. L., Minister of Revenue (Durham West PC)
Baetz, Hon. R. C., Minister of Tourism and Recreation (Ottawa West PC)
 Barlow, W. W. (Cambridge PC)
Bennett, Hon. C. F., Minister of Municipal Affairs and Housing (Ottawa South PC)
Bernier, Hon. L., Minister of Northern Affairs (Kenora PC)
Birch, Hon. M., Provincial Secretary for Social Development (Scarborough East PC)
 Boudria, D. (Prescott-Russell L)
 Bradley, J. J. (St. Catharines L)
 Brandt, A. S. (Sarnia PC)
 Breaugh, M. J. (Oshawa NDP)
 Breithaupt, J. R. (Kitchener L)
 Bryden, M. H. (Beaches-Woodbine NDP)
 Cassidy, M. (Ottawa Centre NDP)
 Charlton, B. A. (Hamilton Mountain NDP)
 Conway, S. G. (Renfrew North L)
 Cooke, D. S. (Windsor-Riverside NDP)
 Copps, S. M. (Hamilton Centre L)
 Cousens, D., Deputy Chairman of Committees of the Whole House (York Centre PC)
 Cunningham, E. G. (Wentworth North L)
 Cureatz, S. L., Deputy Speaker and Chairman of Committees of the Whole House (Durham East PC)
Davis, Hon. W. G., Premier (Brampton PC)
 Dean, G. H. (Wentworth PC)
 Di Santo, O. (Downsview NDP)
Drea, Hon. F., Minister of Community and Social Services (Scarborough Centre PC)
 Eakins, J. F. (Victoria-Haliburton L)
Eaton, Hon. R. G., Minister without Portfolio (Middlesex PC)
 Edighoffer, H. A. (Perth L)
Elgie, Hon. R. G., Minister of Consumer and Commercial Relations (York East PC)
 Elston, M. J. (Huron-Bruce L)
 Epp, H. A. (Waterloo North L)
 Eves, E. L. (Parry Sound PC)
 Fish, S. A. (St. George PC)
 Foulds, J. F. (Port Arthur NDP)
 Gillies, P. A. (Brantford PC)
 Gordon, J. K. (Sudbury PC)
 Grande, T. (Oakwood NDP)
Gregory, Hon. M. E. C., Minister without Portfolio (Mississauga East PC)
Grossman, Hon. L. S., Minister of Health (St. Andrew-St. Patrick PC)
 Haggerty, R. (Erie L)
 Harris, M. D. (Nipissing PC)
 Havrot, E. M. (Timiskaming PC)
Henderson, Hon. L. C., Provincial Secretary for Resources Development (Lambton PC)
 Hennessy, M. (Fort William PC)
 Hodgson, W. (York North PC)
 Johnson, J. M. (Wellington-Dufferin-Peel PC)
 Johnston, R. F. (Scarborough West NDP)
 Jones, T. (Mississauga North PC)
 Kells, M. C. (Humber PC)
 Kennedy, R. D. (Mississauga South PC)
 Kerr, G. A. (Burlington South PC)
 Kerrio, V. G. (Niagara Falls L)
 Kolyn, A. (Lakeshore PC)
 Lane, J. G. (Algoma-Manitoulin PC)
 Laughren, F. (Nickel Belt NDP)
Leluk, Hon. N. G., Minister of Correctional Services (York West PC)
 Lupusella, A. (Dovercourt NDP)
 Mackenzie, R. W. (Hamilton East NDP)
 MacQuarrie, R. W. (Carleton East PC)
 Mancini, R. (Essex South L)
 Martel, E. W. (Sudbury East NDP)
McCaffrey, Hon. R. B., Minister of Citizenship and Culture (Armourdale PC)
McCague, Hon. G. R., Chairman, Management Board of Cabinet (Dufferin-Simcoe PC)
 McClellan, R. A. (Bellwoods NDP)
 McEwen, J. E. (Frontenac-Addington L)
 McGuigan, J. F. (Kent-Elgin L)
 McKessock, R. (Grey L)
 McLean, A. K. (Simcoe East PC)
McMurtry, Hon. R. R., Attorney General (Eglinton PC)
 McNeil, R. K. (Elgin PC)

Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics (Muskoka PC)

Miller, G. I. (Haldimand-Norfolk L)

Mitchell, R. C. (Carleton PC)

Newman, B. (Windsor-Walkerville L)

Nixon, R. F. (Brant-Oxford-Norfolk L)

Norton, Hon. K. C., Minister of the Environment (Kingston and the Islands PC)

O'Neil, H. P. (Quinte L)

Peterson, D. R. (London Centre L)

Philip, E. T. (Etobicoke NDP)

Piché, R. L. (Cochrane North PC)

Pollock, J. (Hastings-Peterborough PC)

Pope, Hon. A. W., Minister of Natural Resources (Cochrane South PC)

Rae, R. K. (York South)

Ramsay, Hon. R. H., Minister of Labour (Sault Ste. Marie PC)

Reed, J. A. (Halton-Burlington L)

Reid, T. P. (Rainy River L-Lab.)

Renwick, J. A. (Riverdale NDP)

Riddell, J. K. (Huron-Middlesex L)

Robinson, A. M. (Scarborough-Ellesmere PC)

Rotenberg, D. (Wilson Heights PC)

Roy, A. J. (Ottawa East L)

Runciman, R. W. (Leeds PC)

Ruprecht, T. (Parkdale L)

Ruston, R. F. (Essex North L)

Samis, G. R. (Cornwall NDP)

Sargent, E. C. (Grey-Bruce L)

Scrivener, M. (St. David PC)

Sheppard, H. N. (Northumberland PC)

Shymko, Y. R. (High Park-Swansea PC)

Snow, Hon. J. W., Minister of Transportation and Communications (Oakville PC)

Spensieri, M. A. (Yorkview L)

Stephenson, Hon. B. M., Minister of Education and Minister of Colleges and Universities (York Mills PC)

Sterling, Hon. N. W., Provincial Secretary for Justice (Carleton-Grenville PC)

Stevenson, K. R. (Durham-York PC)

Stokes, J. E. (Lake Nipigon NDP)

Swart, M. L. (Welland-Thorold NDP)

Sweeney, J. (Kitchener-Wilmot L)

Taylor, Hon. G. W., Solicitor General (Simcoe Centre PC)

Taylor, J. A. (Prince Edward-Lennox PC)

Timbrell, Hon. D. R., Minister of Agriculture and Food (Don Mills PC)

Treleaven, R. L. (Oxford PC)

Turner, Hon. J. M., Speaker (Peterborough PC)

Van Horne, R. G. (London North L)

Villeneuve, O. F. (Stormont, Dundas and Glengarry PC)

Walker, Hon. G. W., Minister of Industry and Trade (London South PC)

Watson, A. N. (Chatham-Kent PC)

Welch, Hon. R. S., Minister of Energy and Deputy Premier (Brock PC)

Wells, Hon. T. L., Minister of Intergovernmental Affairs (Scarborough North PC)

Wildman, B. (Algoma NDP)

Williams, J. R. (Oriole PC)

Wiseman, Hon. D. J., Minister of Government Services (Lanark PC)

Worton, H. (Wellington South L)

Wrye, W. M. (Windsor-Sandwich L)

Yakabuski, P. J. (Renfrew South PC)

MEMBERS OF THE EXECUTIVE COUNCIL

Davis, Hon. W. G., Premier and President of the Council

Welch, Hon. R. S., Minister of Energy and Deputy Premier

Wells, Hon. T. L., Minister of Intergovernmental Affairs

Bernier, Hon. L., Minister of Northern Affairs

Snow, Hon. J. W., Minister of Transportation and Communications

Birch, Hon. M., Provincial Secretary for Social Development

Bennett, Hon. C. F., Minister of Municipal Affairs and Housing

Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics

Timbrell, Hon. D. R., Minister of Agriculture and Food

Stephenson, Hon. B. M., Minister of Education and Minister of Colleges and Universities

McMurtry, Hon. R. R., Attorney General

Henderson, Hon. L. C., Provincial Secretary for Resources Development

Norton, Hon. K. C., Minister of the Environment
Drea, Hon. F., Minister of Community and Social Services

Grossman, Hon. L., Minister of Health

McCague, Hon. G., Chairman of Management Board of Cabinet and Chairman of Cabinet

Baetz, Hon. R. C., Minister of Tourism and Recreation

Wiseman, Hon. D. J., Minister of Government Services

Elgie, Hon. R. G., Minister of Consumer and Commercial Relations

Walker, Hon. G. W., Minister of Industry and Trade

Gregory, Hon. M. E. C., Minister without Portfolio
 Pope, Hon. A. W., Minister of Natural Resources
 Leluk, Hon. N. G., Minister of Correctional Services
 Ashe, Hon. G. L., Minister of Revenue
 Ramsay, Hon. R. H., Minister of Labour
 McCaffrey, Hon. R. B., Minister of Citizenship and Culture
 Sterling, Hon. N. W., Provincial Secretary for Justice
 Taylor, Hon. G. W., Solicitor General
 Eaton, Hon. R. G., Minister without Portfolio

PARLIAMENTARY ASSISTANTS

Andrewes, P. W. (Lincoln), assistant to the Minister of Energy
 Brandt, A. S. (Sarnia), assistant to the Minister of Labour
 Dean, G. H. (Wentworth), assistant to the Minister of Education and the Minister of Colleges and Universities
 Fish, S. A. (St. George), assistant to the Minister of Citizenship and Culture
 Gillies, P. A. (Brantford), assistant to the Provincial Secretary for Social Development
 Gordon, J. K. (Sudbury), assistant to the Minister of Health
 Hennessy, M. (Fort William), assistant to the Minister of Northern Affairs
 Hodgson, W. (York North), assistant to the Minister of Government Services
 Jones, T. (Mississauga North), assistant to the Treasurer of Ontario and Minister of Economics
 Kennedy, R. D. (Mississauga South), assistant to the Minister of Intergovernmental Affairs
 Lane, J. G. (Algoma-Manitoulin), assistant to the Minister of Industry and Trade
 MacQuarrie, R. W. (Carleton East), assistant to the Solicitor General
 McNeil, R. K. (Elgin), assistant to the Minister of Agriculture and Food
 Mitchell, R. C. (Carleton), assistant to the Minister of Consumer and Commercial Relations
 Rotenberg, D. (Wilson Heights), assistant to the Minister of Municipal Affairs and Housing
 Stevenson, K. R. (Durham-York), assistant to the Minister of the Environment
 Watson, A. N. (Chatham-Kent), assistant to the Minister of Community and Social Services
 Williams, J. R. (Oriole), assistant to the Minister of Revenue
 Yakabuski, P. J. (Renfrew South), assistant to the Minister of Natural Resources

STANDING COMMITTEES

Administration of justice: chairman, Mr. Treleaven; members, Messrs. Brandt, Breithaupt, Elston, Eves, Mitchell, Piché, Renwick, Spensieri, Stevenson, Swart and Watson; clerk, D. Arnott.

General government: chairman, Mr. Barlow; vice-chairman, Mr. J. A. Taylor; members, Messrs. Charlton, Dean, Eakins, Gordon, Haggerty, Hennessy, J. M. Johnson, Lane, McKessock and Samis; clerk, F. Carrozza.

Resources development: chairman, Mr. Harris; vice-chairman, Mr. Andrewes; members, Ms. Fish, Messrs. Kolyn, Laughren, McNeil, J. A. Reed, Riddell, Stokes, Sweeney, Villeneuve and Williams; clerk, A. Richardson.

Social development: chairman, Mr. Shymko; vice-chairman, Mr. Gillies; members, Messrs. Allen, Boudria, Ms. Copps, Messrs. R. F. Johnston, Kells, McGuigan, Pollock, Robinson, Runciman and Sheppard; clerk, G. White.

Members' services: chairman, Mr. Robinson; vice-chairman, Mr. Hodgson; members, Messrs. Grande, Havrot, Jones, Mackenzie, MacQuarrie, McLean, G. I. Miller, Rotenberg, Ruprecht and Wrye; clerk, L. Mellor.

Procedural affairs: chairman, Mr. Kerr; vice-chairman, Mr. Rotenberg; members, Messrs. Breaugh, Charlton, Edighoffer, Epp, J. M. Johnson, Lane, MacQuarrie, Mancini, Treleaven and Watson; clerk, S. Forsyth.

Public accounts: chairman, Mr. T. P. Reid; vice-chairman, Mr. Kolyn; members, Messrs. Bradley, Cunningham, Havrot, Kennedy, Philip, Sargent, Mrs. Scrivener, Messrs. J. A. Taylor, Wildman and Yakabuski; clerk, G. White.

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Ombudsman: chairman, Mr. Runciman; members, Messrs. Boudria, Cooke, Eakins, Gordon, Hodgson, MacQuarrie, Mitchell, Philip, Piché, Shymko and Van Horne; clerk, G. White.

*The lists in this appendix, brought up to date as necessary, are published in Hansard on the first Friday of each month and in the first and last issues of each session.

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Bradley, J. J. (St. Catharines L)

Breithaupt, J. R. (Kitchener L)

Bryden, M. H. (Beaches-Woodbine NDP)

Conway, S. G. (Renfrew North L)

Cousens, D., Deputy Chairman and Acting Speaker (York Centre PC)

Davis, Hon. W. G., Premier (Brampton PC)

Elgie, Hon. R. G., Minister of Consumer and Commercial Relations (York East PC)

Gillies, P. A. (Brantford PC)

Gregory, Hon. M. E. C., Minister without Portfolio (Mississauga East PC)

Grossman, Hon. L. S., Minister of Health (St. Andrew-St. Patrick PC)

Haggerty, R. (Erie L)

Johnston, R. F. (Scarborough West NDP)

Kerrio, V. G. (Niagara Falls L)

McClellan, R. A. (Bellwoods NDP)

McGuigan, J. F. (Kent-Elgin L)

Miller, G. I. (Haldimand-Norfolk L)

Peterson, D. R. (London Centre L)

Piché, R. L. (Cochrane North PC)

Rae, R. K. (York South NDP)

Renwick, J. A. (Riverdale NDP)

Shymko, Y. R. (High Park-Swansea PC)

Snow, Hon. J. W., Minister of Transportation and Communications (Oakville PC)

Sweeney, J. (Kitchener-Wilmot L)

Turner, Hon. J. M., Speaker (Peterborough PC)

Walker, Hon. G. W., Minister of Industry and Trade (London South PC)

Welch, Hon. R. S., Minister of Energy and Deputy Premier (Brock PC)

Wells, Hon. T. L., Minister of Intergovernmental Affairs (Scarborough North PC)



No. 189

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Monday, January 24, 1983

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Monday, January 24, 1983

The House met at 2 p.m.

Prayers.

LOCATION OF TV CAMERA

Mr. McClellan: On a point of order, Mr. Speaker: I draw to your attention that there seems to be a new camera in the gallery which is strategically located in such a way that it can shoot only members of the government party and cannot possibly be shared equally by all parts of the House.

Second, I am not sure whether it is a regular part of the press gallery. Perhaps you would be kind enough to advise the House as to why the camera is there, for what purpose it is there and who authorized it.

Mr. Speaker: I would be pleased to do so. The cameras are authorized to be up there. One belongs to CTV national news and the other to the CBC French national news. Both are there on a temporary basis. There is not enough room in the regular part of the galleries.

INDIAN BAND AGREEMENT

Mr. T. P. Reid: On a point of order, Mr. Speaker: I rise to correct the record at the request of the Northern Ontario Tourist Outfitters Association. As you will recall, I put a question to the Minister of Natural Resources (Mr. Pope), I believe on December 20, in regard to the draft agreement that had been signed with the native people regarding certain fishing matters.

I suppose the Minister of Natural Resources did not do it on purpose, but at that time he certainly gave the impression that NOTOA and other people were in favour of the agreement. I have a letter here, sir, and I would like to read two brief paragraphs into the record to correct the record on behalf of the association.

"The statement that our 'help was solicited with respect to the possible zoning problems' is misleading. Our executive was simply asked to inventory on a map the location of all tourist operations in the West Patricia land use area.

"At no time did NOTOA indicate to Minister Pope its support for the agreement. On the contrary, and only after being formally made aware of the contents of the agreement just

three days prior to its signing, our association conveyed to the minister our opinion that the agreement was unacceptable and should be set aside. We further informed the minister that any new negotiations should include the tourism industry, other fishery user groups, Ministry of Tourism and Recreation, Ministry of Northern Affairs and other relevant government agencies from the outset.

"Yours sincerely,

"Roger G. Liddle, Northern Ontario Tourist Outfitters Association."

Mr. Speaker: That is hardly a point of order, but it is a point of interest.

USE OF FRANKING PRIVILEGES

Mr. Riddell: Mr. Speaker, it was drawn to my attention that the member for Middlesex, the Minister without Portfolio (Mr. Eaton), sent invitations around to various parts of Ontario, certainly to my riding, inviting people to attend the Progressive Conservative Middlesex Riding Association meeting at which the Minister of Education and Colleges and Universities (Miss Stephenson) was speaking.

In checking, I found that the envelope was franked down at the post office and was sent out at taxpayers' expense. At that time, it had not been metered and there had been no cost assessed to the member, and neither had the member paid for that. I think it is an abuse of our privileges and the taxpayer's privileges to have that type of thing sent around at the taxpayers' expense. Surely if the minister is going to invite people to his meeting he should be putting his own stamps on the envelopes.

Mr. Speaker: That is very interesting. This is a matter that is going to be discussed at the Board of Internal Economy meeting this afternoon. I would like to make all members aware that there seems to be a lack of understanding. Certainly it would seem to be a misuse of some of the privileges we all enjoy.

Hon. Mr. Eaton: Mr. Speaker, that was an invitation sent out by myself to school board members, teachers and principals in my riding to meet the minister. It was sent at the expense of my riding association.

Mr. Riddell: Tell that to the post office.

Hon. Mr. Eaton: It was done through the post office.

Mr. Riddell: I checked with the post office.

Mr. Speaker: Order.

Mr. Riddell: The post office said he did not pay for it. We will go down to the post office together.

Hon. Mr. Gregory: Read Hansard.

Mr. Speaker: Order. If you want to carry on a private conversation, please do it outside the House.

CORRECTION OF NEWSPAPER REPORT

Mr. McGuigan: Mr. Speaker, I rise on a point of privilege and to correct the record. Press reports on Saturday said that the Honourable Mark MacGuigan, Minister of Justice, and I were brothers. I wish to point out that I am very proud to call him my political cousin. He does the same for me.

Hon. Mr. McMurtry: Kissing cousins.

Mr. McGuigan: Political cousins, not kissing cousins. We could very well be cousins, because our families came from the same corner of Ireland. His family came to Prince Edward Island and mine to Scotland and then to Ontario, so we could very well be cousins.

Mr. Speaker: Has this anything to do with the point of privilege?

REGULATION OF TRUST COMPANIES

Mr. Peterson: On a point of privilege, Mr. Speaker: On Friday last I asked the Minister of Consumer and Commercial Relations (Mr. Elgie) whether any notices had been filed by directors pursuant to section 193 of the Loan and Trust Corporations Act with regard to the Cadillac Fairview transaction. The minister indicated that a notice had been received from Mr. John Clement. The minister went on to say, and I quote, "To my knowledge I have received no further such indications from any directors."

On the basis of documents released by the minister, we find that two such notices were filed. The other, from Mr. Robert Stikeman, was filed on the same day as Mr. Clement's. I would appreciate it if the minister would correct the record in this regard and, further, if he would assure us that no further directors' notices have been withheld from public knowledge.

Mr. Speaker: That is not a point of privilege.

The question should be put to the minister at the appropriate time.

2:10 p.m.

VISITOR

Mr. Speaker: I would ask all members of the Legislative Assembly to join with me in recognizing and welcoming in the Speaker's gallery the Honourable Haig Young, Minister of Public Works and Services for Newfoundland.

STATEMENT BY THE MINISTRY

TRANSFER OF CROWN TRUST ASSETS

Hon. Mr. Elgie: Mr. Speaker, I would like to report to the House on further developments in respect of Crown Trust Co.

From the outset, our efforts have been aimed not only at protecting the depositors to the maximum extent possible, but also at maintaining the value of Crown Trust assets in the interest of protecting other clients, creditors and shareholders of the company.

We have been working closely throughout with Canada Deposit Insurance Corp. We and they believe that decisive actions must be taken urgently if the position of the uninsured public depositors and the viability of the business of Crown Trust is to be preserved. During the past several days, we have worked very closely with CDIC to arrive at a basis upon which CDIC, in co-operation with Régie de l'assurance-dépdu Québec as to deposits in Quebec, could provide the backup funds that are essential if this is to be done on an orderly basis.

One of my early concerns with the steps we had to take in protecting the depositors of Crown Trust was the problem being created by the limitation of withdrawals to \$20,000. As members know, the Honourable Paul Cosgrove, Minister of State for Finance, has announced the intention of the federal government to increase the deposit insurance to \$60,000. However, it is not clear how soon this will be accomplished in Ottawa. Further, although this change in deposit insurance will improve the situation of many depositors, it by no means ensures that the business of Crown Trust can, without other steps, be returned to normal operations, or that all deposits will be paid in full.

In our discussions with Canada Deposit Insurance Corp. aimed at allowing the deposits in Crown Trust to be dealt with in the normal course of business, it has been agreed that there are terms upon which CDIC may properly

ensure that the public deposits in Crown Trust will be paid in full as they mature and at the same time allow the operations of the business to be conducted in a normal fashion. These terms require the registrar to make arrangements acceptable to CDIC that will result in the business of Crown Trust being operated by new owners.

I would point out that in our review of offers to date, none of them contemplates the take-over of Crown Trust in its present financial state. All require the provision of massive amounts of funds by CDIC which would not be available from any other sources.

We believe that unless we make arrangements as discussed with CDIC, our only alternative is to apply to have the company wound up. In fact, at the special hearing before the Chief Justice that occurred on Sunday last, counsel representing the majority owners of Crown Trust advised the Chief Justice that he intended to proceed with an application under the federal Winding-up Act to have Crown Trust wound up.

If we are forced, because of delay or any other factors, to have recourse to winding-up procedures, there will be substantial losses to depositors and long delays in recoveries. We believe the proposed arrangements provide the only effective procedure to deal with the assets of Crown Trust in a way that will protect the public depositors and maximize the chances of recovery for other clients, creditors and shareholders of the company.

If these arrangements are to be effective, it is essential that the registrar be empowered by new legislation to enter into these arrangements. It is also essential that we know there is an acceptable company ready, willing and able to take over the assets of Crown Trust and to manage its business as soon as those arrangements are in place. Canada Deposit Insurance Corp. and Régie de l'assurance-dépdu Québec are prepared to co-operate with us in allowing the business of Crown Trust to return to normal operations.

I will be introducing a bill later this afternoon to confer on the registrar the necessary powers to effect the arrangements. As soon as the bill becomes law, we, CDIC and Régie de l'assurance-dépdu Québec will be in a position to comply with the terms of the proposed arrangements that will result in the lifting of the restrictions on the payment of deposits. I would therefore urge upon all members of the House its speedy passage.

ORAL QUESTIONS

TRANSFER OF CROWN TRUST ASSETS

Mr. Peterson: Mr. Speaker, it is obvious the minister is in a real pickle. On the one hand, he is asking for special legislation to sell or transfer these assets to another owner or manager. On the other hand, we do not know to whom, we do not know for how much and, more important, we still do not know why.

When the minister brought in his statement on January 17 he suggested \$130 million was in jeopardy because of the quality of the security. Subsequent to that, there have been press reports of a missing \$125 million. What are the facts upon which the minister wants us to make a judgement to deal with this in a speedy way?

Hon. Mr. Elgie: Mr. Speaker, to remind members of the House, I indicated last week that as a result of a departure from the company's traditional lending patterns there was a serious deficiency now apparent in the security underlying approximately \$130 million of its investments.

That remains the case, and I have indicated to this House that in view of that serious problem, we, as responsible legislators, having the option of endeavouring to save the business of Crown Trust, should do so for the benefit of the depositors and the public in general.

As to whom it will be sold, it will come as no surprise to the member that there are several people who are interested in acquiring the assets of Crown Trust. The member will also know that on Friday a representative of the government wrote to all interested parties asking them to confirm their interest and to indicate the principles of any arrangement they might contemplate. That was done, the information was received and further requests by the government and by Canada Deposit Insurance Corp. for verification of other issues and matters related to the information provided are under way today. Following that, a review of a prospective purchaser will be considered.

Mr. Peterson: The minister is asking us to take what he says on faith, and those of us watching him have no faith in him at all at this point.

Hon. Mr. McMurtry: Speak for yourself.

Mr. Peterson: That is absolutely the case.

How much cash will have to be injected into this company and whose cash will that be? Will the taxpayers of Ontario be guaranteeing any

missing deposits or any lack of security in the assets?

Hon. Mr. Elgie: Let me say it again, quite frankly and honestly and without any partisanship. I am asking this House quite seriously to look at the predicament and to accept the fact that unless we take steps such as this, recommended by CDIC and this government, we are seriously jeopardizing the rights of depositors in this province. Surely a common interest we all share is an interest in doing what we can in situations where we have the opportunity to do it to protect depositors. I think the public expects us to behave in a responsible way about these things.

As to how much cash and whose cash, I think my statement made it very clear that substantial—indeed the word used is “massive”—amounts of dollars will be provided by CDIC for any shortfalls that exist. This government will be putting up no money.

2:20 p.m.

Mr. Rae: Mr. Speaker, we do not know what information the minister has made available to the cabinet or what information he has made available to the caucus. We do know what he has told this House and we do know what information we have.

Surely the minister would agree that we, particularly on this side of the House, are entitled to see the reports of Touche Ross and Woods Gordon in full with respect to what has happened at Crown Trust. We are entitled to know precisely what conditions CDIC has attached to its involvement in this transaction.

Finally, we and other people are entitled to know exactly what Mr. Rosenberg has done wrong. Does the minister not think we are entitled to have that information before we proceed with this kind of peremptory action?

Hon. Mr. Elgie: Mr. Speaker, without accusing anyone of anything, I clearly outlined in my statement a week ago and in subsequent remarks, the reasons that prompted government action, namely, the erosion, possibly even the total erosion, of the borrowing bases of those three companies. I indicated in my statement last week that an interim report confirmed that. Further verbal information provided to me along the way confirms that.

If I have further information that I can give in a more final form as we debate the bill, I will certainly give it. I am giving the information that I can. I am confirming for members that the corporation will otherwise look to liquidation.

I am advising them that the counsel for the present majority shareholder of Crown Trust indicated yesterday before the chief justice that he would be applying for a voluntary winding-up order under the federal Winding-up Act and he already has an application before the Divisional Court with respect to the appointment of a receiver under the Loan and Trust Corporations Act for a crown corporation.

There is much evidence around for those who wish to see it to confirm that the option this government is presenting to this House is the only option, and I say that quite sincerely.

Mr. Peterson: The minister has come to us today because of the sloppy drafting the last time around and not thinking out this entire problem. That is why he is here. He has completely refused to answer any questions since his statement last week.

How can the minister come into this House and ask us to protect only the depositors or creditors of Crown Trust and not ask us to protect the depositors or creditors of Greymac or Seaway Trust? How can he draw that distinction?

Hon. Mr. Elgie: I did read some reference in the newspapers to that kind of irresponsible statement with respect to draftsmanship, but let me put it quite frankly: The option of including and giving the registrar the right to sell the assets of corporations was thought of, talked about and debated. This government decided it was a very heavy responsibility to give the government and that it had given itself very heavy responsibilities in the legislation that was before the House on December 21.

If at any time we were going to face the responsibility of selling the assets of any of these corporations, we should face it before this House on an individual basis, say why we were doing it and that it had to be done, rather than cover it in some piece of legislation where it could apply to many situations.

Today we are proposing a special piece of legislation relating to a particular company, and that is the way we feel it should be in the future if situations like this arise.

As to whether or not any similar proposal would be possible for Greymac or Seaway, frankly the information on those two companies is still not complete. If there is some option for them, it will be dealt with, but let us understand the mandate of the Canada Deposit Insurance Corp.

Its primary mandate, as I told members in my original statement, has traditionally been to pay

depositors up to the limit of the insurance in the event that a company fails. It is an unusual posture for it to be in, in trying to save a company like this. I do not say that critically, because relationships in the past have not contemplated that sort of option.

Clearly, the reason they are involved in this and the reason they are prepared to put up that kind of money is because it will reduce their losses. It is not because the governments are willing to save one company over another, but rather because it is now certain that, for this company, their losses can be reduced and public depositors can be protected if we pass this legislation.

Mr. Peterson: I guess what he is saying is it was too heavy a week ago, but it is not too heavy a responsibility today.

MORTGAGE PRACTICES

Mr. Peterson: Mr. Speaker, I have another question for the minister relating to the notices filed under section 193 of the Loan and Trust Corporations Act. I would like to read portions of these notices.

With regard to Mr. Clement's statement, dated January 18, it states in part, "On January 11, 1983, the undersigned filed a written protest with the above company"—being Greymac Trust—"against some \$20 million in mortgage loans purportedly made by it covering certain former Cadillac Fairview buildings not brought to my attention until January 10, 1983."

Similarly, Mr. Stikeman's notice, also dated January 18, reads in part, "Please be advised that on January 11, 1982"—which I gather means 1983—"I protested in writing to the above company, Greymac Trust, about an alleged loan of \$20 million by that company in the Cadillac Fairview/Kilderkin transaction as reported in the Globe and Mail the previous day."

These transactions took place on November 5 and November 8. Indeed, the minister reported them in his statement of November 10 last. Could the minister indicate whether these notices have been determined to fall within the time constraints as set out in section 193 of the Loan and Trust Corporations Act?

Hon. Mr. Elgie: Mr. Speaker, if I may just comment, the member has criticized me earlier for withholding information. I did not withhold any information. I said any notifications I was aware of I would report, and I did report. It was later that day or the next day, I cannot recall which, when the second notification was brought

to my attention. I have no reason not to report them. They are public documents. Why would anybody be silly enough to try to hide reporting of these things when they are available to the public and the member has them?

As to whether or not these notices satisfy the obligations placed upon directors under the Loan and Trust Corporations Act, I can only say those are matters that will await legal determination by any parties that have an interest in that aspect of it.

Mr. Peterson: The events surrounding the events that forced these gentlemen to file their notices were public knowledge in November. I ask the minister again, does he have any indication why they were filed two months after the fact? Has his ministry, the registrar, his regulators, investigators or anyone else determined why everyone else knew about these things, yet the directors of that company did not know?

Hon. Mr. Elgie: I do not propose to get into a discussion as to whether or not the notices filed were appropriate or legal. What I am saying to the member is there are mechanisms for those who wish to review the adequacy of this and whether it meets the responsibilities imposed upon directors. I do not propose that this is the place where that should be debated, a place where, as the member knows, the parties do not have an opportunity to present their views.

Mr. Rae: Mr. Speaker, can the minister tell us whether the government is planning to take any action against any of the directors of Crown, Greymac or Seaway? If he is not in a position to tell us that today, can he please tell us when he will be in a position to tell us what kinds of actions the government plans to take against any of the directors?

Hon. Mr. Elgie: Mr. Speaker, I really do not mean to say this in any facetious way but, quite seriously, when the government makes a determination about the actions it believes are necessary as a result of the events we are now involved in, I will report that to the House. Then the member will have the opportunity of evaluating the appropriateness of it.

Mr. Peterson: To repeat, the minister is aware that under the legislation one has to report within 24 hours after becoming aware of the transaction and notify the registrar within eight days of making such protest. Is it the minister's view that Mr. Clement and Mr. Stikeman learned of the \$20-million mortgage by Greymac for the Cadillac Fairview deal only on January 10? Does he accept that at face value?

If he does not, is Mr. Morrison or anyone else talking to these gentlemen under oath to try to determine what their legal responsibility was and whether they fulfilled their legal obligations under section 193 of the Loan and Trust Corporations Act?

2:30 p.m.

Hon. Mr. Elgie: Mr. Speaker, I have not directed nor do I intend to direct Mr. Morrison as to whom he should inquire into, question or examine. That would be a matter for him to decide on the basis of the information available to him.

As to what the government's view is with respect to the resignation or the notifications under section 193 of the Loan and Trust Corporations Act, I have already indicated that very clearly.

CONCENTRATION IN TRUST INDUSTRY

Mr. Rae: Mr. Speaker, can the minister tell us whether he has concern about, and whether the cabinet has given any consideration to, the impact of a forced sale of Crown Trust on the increased concentration in the trust industry?

Hon. Mr. Elgie: Mr. Speaker, I think it is fair to say that cabinet is of the view that the issue of concentration and ownership in the trust industry is an issue that should be thoroughly and completely addressed in the white paper. I think the leader of the third party agrees with that.

I hope he also agrees that in the interests of protecting the depositors, surely it is not an issue to be resolved today. It is an issue that requires a lot of public input and a lot of discussion and decisions by this Legislature. The issue now is a really serious one that needs urgent attention. I presume we all have the same goal in mind.

Mr. Rae: Mr. Speaker, without wanting to comment on that I think the minister has to appreciate that he is really asking a great deal from members of this Legislature and, particularly, members of the opposition. We do not have tabled before us the reports from the companies that have been involved in Crown Trust. We do not have tabled before us any of the reports from the Canada Deposit Insurance Corp. We do not know what arrangements are being proposed. We do not know how much money is involved. We do not know what the minister means when he says it is the only alternative. We do not know what infusion of

money is anticipated or expected from the Canada Deposit Insurance Corp.

Mr. Speaker: Question, please.

Mr. Rae: What does the minister mean exactly when he says what the government is proposing is the only alternative? Does he seriously expect parties in the opposition to agree with him when we do not know any of the facts upon which he is basing his decision?

Hon. Mr. Elgie: What I am saying very clearly is that the government has put itself on the line with respect to the issues at hand. The leader of the third party as a graduate lawyer understands the options that are open to those who feel the government has not acted properly.

He also knows there are only certain options when one is faced with a company whose borrowing base and, therefore, viability, have been seriously eroded. That is a winding up, either voluntarily or compulsorily, or some mechanism by which there is an infusion of capital to make it possible to keep a company viable and to protect its public depositors.

Those are the only options I know of. If the member has any other in mind—perhaps if he can take up a collection he may want to put in an offer. Quite seriously, I do not know of any other options, but I do know there is one application at present pending for voluntary winding-up by the majority owner of the shares. There was an indication yesterday from his counsel that he intends to make an application for a winding-up order under the federal Winding-up Act. So I think we have pretty good indications here of what the options are.

Mr. Peterson: Mr. Speaker, the minister has come to us today trying to impart a great sense of urgency. When one distils it all down, he has asked us to act on faith in himself, his government, the registrar and a variety of other people he has. Very frankly, it is difficult for us to have any faith in the minister and/or his investigators or regulators, or the registrar who has been asleep at the switch for two years.

Mr. Speaker: Question, please.

Mr. Peterson: Is the minister prepared to come to our caucus today or anytime in the next day or two to tell us why he needs this legislation now?

Hon. Mr. Elgie: Mr. Speaker, I would like to say that is one of the nicest invitations I have ever received but I am not sure it is. After all that criticism, does the Leader of the Opposition want me to bask in the glory of being in his caucus? Is that why he wants me there? Or does

he hope I will improve the calibre? No, I would not improve the calibre.

Mr. Kerrio: The Deputy Premier (Mr. Welch) came; he was not shy.

Mr. Speaker: Order.

Hon. Mr. Elgie: Any options that enable me to provide the opposition party with the kind of information that is available to me and which can be released and does not compromise other situations, I will look at very seriously today.

Mr. Rae: Mr. Speaker, if the minister can come before the House requesting a forced sale, would he not agree he can also come before this House asking for legislation that would allow the government to administer the affairs of Crown Trust for a transitional period until all the facts are known?

Would he not agree the only limitations on the government's alternatives are this government's imagination and its commitment to seeing that a forced sale is not carried through precipitously?

Hon. Mr. Elgie: Again, I think the member has in his caucus a capacity for wise advice on these issues. I mean that quite sincerely. He and I know that as each day goes by the business of Crown Trust erodes and the potential for erosion escalates. I do not say that to frighten anybody. The government has a proposal here through which we believe this crisis can be avoided.

As that situation erodes, problems develop in terms of its acceptability to purchasers. Above all, one has to understand the role of the Canada Deposit Insurance Corp. in this. I mean this very sincerely. Their role is primarily to reduce their losses, but because their losses would be less by preserving Crown Trust as a business, they are prepared to put up massive numbers of dollars on the understanding there will be a relatively quick sale. They know that to preserve the business of Crown Trust that has to happen, as we know that has to happen. This cannot be left hanging in the balance any longer. I say that in all sincerity.

JOB CREATION

Mr. Rae: Mr. Speaker, I have a new question for the Premier. It concerns jobs and joblessness and homelessness in this province. There was a statement made in December by his deputy sitting next to him that job creation is the number one priority of his government. I wonder if the Premier can explain why there has not been a single announcement of any new initia-

tives with respect to job creation in housing, public transportation or in municipal public works from the government since the Treasurer (Mr. F. S. Miller) met with his colleagues in finance from the other provinces and with Mr. Lalonde. He described it as his most successful meeting with them.

Hon. Mr. Davis: Mr. Speaker, I am going a little by memory, but I do not think that is factually correct. There have been two or three announcements made. We are still waiting—

Mr. T. P. Reid: There have been 157 jobs.

Hon. Mr. Davis: With great respect, I can only refer to my own municipality where I read something in the paper about funding being provided. It is true here in Metro as well. There have been a number of municipalities that have been assured funding for certain job creation programs.

Mr. Rae: I hope the Premier will appreciate the fact that we not only have a joblessness crisis in this province—where 209,000 jobs have been lost since the budget of May—but according to all reports, in Metro there is a major homelessness crisis as well. It affects thousands of people, young and old. In that regard, can the Premier tell us why this government has not provided any funding for the two major housing initiatives announced by the Minister of Municipal Affairs and Housing (Mr. Bennett), InnoRent and Renthab?

Why has the government singularly failed, by any criterion, to address the problem of low-income housing, not only in Toronto but across this province? Why has it failed to do so when we have a joblessness crisis with tens of thousands of people unemployed in the construction industry, and a homelessness crisis affecting young and old alike?

Hon. Mr. Davis: I was listening to two or three conversations the other day when I heard the minister announce the effectiveness of the housing program that was introduced in the Treasurer's budget. If memory serves me correctly there were in excess of some 16,000 applications. We were contemplating some 15,000. Those homes are still under construction. It has been a real impetus to the housing construction industry. It is still going on. The member takes the position that nothing has happened; it has happened and is continuing to happen.

2:40 p.m.

Mr. T. P. Reid: The Premier is aware that the Treasurer's estimate of the number employed is 334,000 out. The Premier may be aware that his

friend, Mr. Godfrey, in today's Star, said he is disappointed in the two senior levels of government and their response to the unemployment situation.

Can the Premier assure us there will be some announcements within the next two weeks that we will see something concrete— that people will be put back to work? Will he also assure us the money is going to be allocated to those areas where there is high unemployment rather than to some of the areas where the unemployment situation is not so severe?

Hon. Mr. Davis: Mr. Speaker, as I recall the arrangement, the formula really operates to a very great extent on the basis of numbers unemployed within a certain community.

Mr. Rae: Mr. Speaker, we are all experiencing tremendous difficulty—and I am sure the Premier is aware of this—in getting anybody into Ontario Housing because the units just are not there.

There have been two reports issued this month—People Without Homes: A Permanent Emergency, issued by the Social Planning Council of Metropolitan Toronto; and No Place To Go, A Study of Homelessness in Metropolitan Toronto, which was put out by the Municipality of Metropolitan Toronto. Both indicate there are families who cannot find affordable homes. There are young people who cannot find affordable homes. There are single, employable men who cannot find work and who cannot find a place to live. The hostels are stretched to the very limit and this affordability crisis is there; it is very real and is not being addressed by any of the programs that have been announced or not announced by the Minister of Municipal Affairs and Housing.

How can the Premier justify the inaction in this area of low income housing when we know it is creating a social crisis and that there is a crisis of joblessness out there? How can he justify that kind of lethargy which has become the hallmark of his government when it comes to social housing in this province?

Hon. Mr. Davis: Mr. Speaker, I would only ask the honourable member to go back in history a little and assess very objectively and very carefully the record of this government in socially assisted housing. I think it is fair to state that if he compares this with any comparable jurisdiction in Canada or in the United States—

Mr. Rae: That is not true.

Hon. Mr. Davis: It is true. Let the member show me one province of a like nature that has

done and is doing more in this sense than the government of Ontario. Also there is not a state of the union that has done nearly as much. I get a little weary of members of the New Democratic Party suggesting they are the only ones interested in human issues. This government not only is interested, it has performed. That is one reason we are still here and they are there; and we are going to stay here.

Mr. R.F. Johnston: How many have you built since 1975?

Mr. Speaker: Order.

FACILITIES FOR DEVELOPMENTALLY HANDICAPPED

Mr. Riddell: I have a question for the Minister of Community and Social Services. A report by Walter Williston on the care and supervision of mentally retarded persons in Ontario calls for the phasing down of the larger institutions for the developmentally handicapped. In his report he described the large institutions as dull, monotonous, impersonal, overcrowded, with the emphasis being on custody and not training.

He further stated that these institutions were isolated from the rest of the community, and they had insufficient number of physicians, psychiatrists and other skilled professionals. He said buildings were too large, overcrowded and antiquated, and constituted a serious fire hazard. He said they were not economical and that generally such institutions forced the retarded person to function far below his developmental possibility. He said smaller institutions had several advantages: they were more humane, were a lot less expensive and the mentally retarded could be more easily integrated into the community.

My question is very simple. Why is the minister closing the smaller institutions and leaving the larger ones open?

Hon. Mr. Drea: Mr. Speaker, first, I think everybody in this House would acknowledge that at the time the Williston report was written some of those allegations were true. I defy the honourable member or anybody else to say conditions are even approaching that today—even in the largest facility we have.

Second, I presume the member, without mentioning it, is talking about Huronia. Huronia at the moment has 929 residents, of which 665 are either in total medical chronic care or in such specialized units that the service could not be provided in any smaller institution. That leaves about 300. Notwithstanding the fact that Huronia is not part of our five-year plan, its second campus will be much smaller at the end

of the next five years in terms of chronic medical care.

I do not think anybody would want to break up a unit that has total medical care when that medical care cannot be duplicated elsewhere. The approximately 300 mentioned before will be much reduced by the end of five years through the normal process of going out into the community to places near their homes. But that is not even included in the five-year plan. That is just normal. That institution or facility will be made smaller.

As for the other large facility, Rideau: out of the approximately 1,000 residents there 554 are in a special chronic care unit like the one I just described. The member might want to take into consideration that there is a special francophone unit there which we could not duplicate if we put those around institutions in western Ontario. If Rideau is closed the facility at Picton which now has 354 people will approximately triple its size or the facility at Brockville will be increased ninefold.

One last thing: there is another large facility—I suppose by the member's definition two of them—in western Ontario. Is the member suggesting I close Cedar Springs? No, he is not. Is he suggesting I close Woodstock? No, he is not. Woodstock, indeed, is being phased down.

Mr. Riddell: One recognizes the track record the minister's government has had on closing down beds before it has ensured that adequate programs and placements are available to take their place. That happened in the health care system in acute care hospital beds. It happened with psychiatric institutions which created such problems as exist in Parkdale. What is the minister going to do for those in institutions who can never go into the community or live at home? Will they be enslaved to these massive institutions for the rest of their lives?

What is the minister going to do for Mrs. Mary Lou Forsyth, a single parent with two daughters, who had to fight to have her son moved from a large institution to a smaller one where he is making good progress? At the large institution he was receiving only limited training—one half hour gross motor program a day was the limited government requirement. After being moved to the Durham Centre for the Developmentally Handicapped he has progressed remarkably. We say that because we have visited those centres.

Mrs. Forsyth says she will not allow her son to go back to those large institutions. As a result, she will be forced to quit her job, stay at home

and collect family benefits. What is the minister going to do for people like Mrs. Forsyth?

Hon. Mr. Drea: Obviously the member had the first part of his question written before I gave my first answer. I think one of the remarks he made in there—

Mr. Riddell: We don't—

Hon. Mr. Drea: I did not interrupt him. He should please keep his hands down and control himself. He is not running his usual weekend endeavour in here.

2:50 p.m.

I would also point out to the honourable member that when he was talking about any deinstitutionalization he was not talking about this ministry's track record. I would appreciate it if he would be accurate.

If the member can show me one person who was discharged or left a facility—indeed there were 3,800 of them over the last seven years—or one person who was put out into the community without a full support program, he should stand up and give the name. He cannot do that. If he wants to talk about other programs and other ministries then he should do it in those ministry estimates. He should not try to give the impression in here that has been in any way, shape or form the policy or the operational mandate of this ministry.

In regard to the case the member has brought forward, in five years or so when Durham is being phased out—he gives the impression it is being done overnight but it is not—those children of the sole-support mother he mentioned will not be moving to a larger institution. I would have thought the member would have been able to assure her of that.

Mr. Riddell: I can show the minister his performance at the Bluewater Centre in 1981 when he assured the people that centre would remain. It is on film.

Mr. Speaker: Order.

Mr. R. F. Johnston: Mr. Speaker, although the minister has been more calm than usual in his response—and we welcome this new image—he is continuing his approach of distorting the facts. Why has the minister raised the notion that the choice would be between closing down Rideau or expanding the Quinte facility up to 900 or tenfold in Brockville? Those are not the choices he would have to make and he knows he would not have to make them. It is absolutely ridiculous.

Is it not true—

Hon. Mr. Drea: Mr. Speaker—

Mr. R. F. Johnston: The minister should wait for me to finish. He is calm now.

Is it not true that even by his own statistics the minister has just thrown out the door several hundred people in both those large institutions that could be deinstitutionalized, and that could have been his concentration? Why did he concentrate on the small institutions that are more community-involved?

Hon. Mr. Drea: Mr. Speaker, I have gone through this on several occasions with the member. It is a twofold question. One factor was logistics and accessibility, making sure when we had a surplus of beds there were not abrupt closings that would have left the parents in the lurch as to where they would have had to visit. There was also the concern over six years that those in the child care field, and those in the support field who work in our facilities, deserved every chance to be able to move with the least possible dislocation. The member knows that is why we did it.

The member is shaking his head. The problem with him shaking his head is that last week he bragged in here we would not close down Huronia in phases because we would not save any money. I have just told the member that by this spring, in the ordinary course of events, we will be deinstitutionalizing and making Huronia smaller, and it will continue to be made smaller except for the chronic care.

The member talks about closing larger institutions without dislocation and making visiting inaccessible to the parents. In eastern Ontario there are the following facilities: the facility at Picton, the facility at Smiths Falls, the Rideau Regional Centre and the facility at Brockville that is being phased down. Surely the member is not going to suggest I move people from Rideau all the way over to western Ontario—

Mr. R. F. Johnston: You are sending them to the Edgar institution in Barrie.

Mr. Speaker: Order.

Hon. Mr. Drea: —all the way down to Picton or a number of other places. If the member is going to make these ill-conceived comments, then he has to be prepared to take the repercussions when somebody points out something as simple as geography.

Mr. R. F. Johnston: Mr. Speaker, I would like to clarify the record if I might. The minister knows it is being planned to move people who are in Brockville at the moment to the Edgar institution in Barrie. If that is not dislocation I do not know what is.

I also have a new question in the same area for the Minister of Community and Social Services. In June 1981, he was at Bluewater where he gave a stirring speech, a wonderful speech, which I thought was just tremendous. Those who heard it also thought it was one of his best and most coherent efforts.

Mr. Speaker: Now for the question.

Mr. R. F. Johnston: We thought the minister was right when he said to the workers at that institution: "You are doing something that is extremely valuable and extremely vital. It might not always be applauded or patted on the back but if you were not here, and this was only grass, think of the enormous loss in human potential and human development, and indeed, a loss to the entire community. That is why we are going to be a bigger and more successful part of the community"—meaning this institution.

If that was the case then—that the minister was recognizing they had a good track record in deinstitutionalization themselves and 85 people had been prepared for the community in that institution—what changed his mind so that now, all of a sudden, Bluewater is second on his hit list?

Hon. Mr. Drea: Well, Mr. Speaker—

Mr. T. P. Reid: He is calm now, not incoherent.

Hon. Mr. Drea: —first, I do not have a hit list. Second, at the time I made those remarks there was no consideration by anybody of phasing out or doing anything other than in the normal course of events at Bluewater.

Mr. Riddell: It shows the lack of planning.

Hon. Mr. Drea: In the course of developing our plan over a number of months—and that course began after that date; I could read off, again, the immortal remarks made on October 19 by the member for Huron-Middlesex (Mr. Riddell) who knew—it is great, but I will not.

Mr. Riddell: Go ahead.

Hon. Mr. Drea: We looked at it in terms of a comprehensive, province-wide plan. The most painful decision in the entire effort for me was the one to phase out Bluewater. I will take responsibility for it, but if the honourable member does not want facilities closed he should stand up and be a man and say so. Is he saying he wants them closed? Which way is it?

Mr. R. F. Johnston: The minister knows which way it is. We want it done with some planning.

Hon. Mr. Drea: The Ontario Association for the Mentally Retarded this weekend made

several decisions. I hope the honourable member does not blunder into their fire.

Mr. R. F. Johnston: Mr. Speaker, I also hope I do not blunder into their fire. There has been enough blundering into his own fire by this minister.

During that speech the minister praised a lot of things about that institution: the quality of the workers, the fact that they had done more in terms of individualized connection with people than the entire education system had done in 150 years. He knows the average age of a resident of that institution is 45. He knows their parents are old and quite worried about what is happening.

Is it not true the only thing that changed his mind as to why this institution should be closed was that the Young Offenders Act was coming up and he had to find some institutions for Correctional Services? He is trading off the quality of care for these people because he knows there is nothing available in that community in terms of group homes and no zoning for it. Is he not trading off the quality of care for these people for his lack of preparation for what is going to be foisted upon him by the federal decision involving the Young Offenders Act, and because he needs an institution for correctional care there?

Hon. Mr. Drea: Mr. Speaker, that is categorically untrue.

Mr. Laughren: Even the Minister of Correctional Services (Mr. Leluk) agrees.

Hon. Mr. Drea: As of this moment, and it is public knowledge, this ministry does not have responsibility for youthful offenders. The member made a wild and irresponsible—rash is closer to home—allegation. There was no consideration given at the time the decision was made because we did not even know if the Youthful Offenders Act was going to be passed.

But the member's party made sure it was passed and foisted the bill on the provincial governments. That was his party.

Mr. R. F. Johnston: That is the minister's problem. In October 1982, he knew damned well, when he made this announcement.

Mr. Speaker: Order.

Hon. Mr. Drea: Please, if the member wants to use profanity he should go to one of his better places.

In fairness to the member for Huron-Middlesex, who asked me when he first found out, I pointed out that one of the possible potential future uses might very well be an institution for youthful

offenders. That was in October 1982. I can hardly make a decision based upon a jurisdiction I have, when I do not know the jurisdiction in another area that I will have. I do not know it as of today.

Now that the honourable member knows those facts, I would ask him to withdraw that question.

Mr. R. F. Johnston: Mr. Speaker, I have been asked to withdraw the question. Is that an order?

Mr. Speaker: The question already has been dealt with.

3 p.m.

Mr. Hodgson: Mr. Speaker, within the riding of York North we have the same problem as the member for Huron-Middlesex and others in that we are closing down an institution.

There is a question I want to ask the minister. I am glad he has verified it, but I want it reverified. Last Wednesday night, Dr. Baker was at a meeting in Newmarket, and he said they could expect Pine Ridge in Aurora to be closed down in 1984. He had just talked about a five-year program prior to that, starting in 1983; so a lot of people were very happy that it would be 1988 before it closed down. However, he said it was going to close in 1984. Was that a mistake the director made when he said it would be closed down in 1984, or was he just filling in the time?

Hon. Mr. Drea: Mr. Speaker, when we made the initial announcement, we gave some general time frames because part of our concern was for the employees and indeed for the residents and the parents; so there were some very definite time frames.

The St. Lawrence Regional Centre in Brockville is scheduled to be phased down in the fiscal year 1983-84. The Bluewater Centre in Goderich also is scheduled to be phased down in the fiscal year 1983-84. The St. Thomas Adult Rehabilitation and Training Centre will be phased down in 1984-85. Pine Ridge in Aurora also will be phased down in 1984-85. D'Arcy Place in Cobourg will be phased down in 1985-86 and the Durham Centre in Whitby in 1986-87.

As I have pointed out on several occasions since then, those are target goals. The phasing out of any particular facility, regardless of the time frame, depends upon the complete placement of its residents. As long as there is even one resident in one of those facilities who has not yet received a placement which in the view

of those concerned, including the parents, is suitable then that particular facility will continue.

I also point out that those are fiscal years. When we are talking about 1984-85, that is some time between April 1, 1984, and March 31, 1985. It is considered a five-year plan because it goes from the announcement that was made in 1982 to the end of the fiscal year in 1987.

Mr. Riddell: Mr. Speaker, if the minister insists that he has been working in concert with the Ontario Association for the Mentally Retarded in the closing of these facilities, how does he explain a letter written by Mr. James Montgomerie, the president of OAMR, addressed to the corporation of the town of Goderich? I want to read just one paragraph:

"In the case of the recently announced five-year plan and the resulting closure of facilities such as the Bluewater Centre, the Ontario Association for the Mentally Retarded played no direct role. We were not part of the planning process, nor were we informed of these plans until after they had been established and made public through a document leaked to the press."

How can the minister keep hanging his hat on the Ontario Association for the Mentally Retarded when they had nothing to do with his five-year plan to close these centres?

Hon. Mr. Drea: Mr. Speaker, the honourable member has not even given me the courtesy of a date, but I do not really need that. There is no question, and we never have said, that the OAMR was consulted before the leak in the press. But I suggest—

Mr. Riddell: December 13.

Hon. Mr. Drea: Not this minister; so don't somebody say yes.

Mr. Boudria: Oh, Margaret did.

Mr. Speaker: Order.

Hon. Mr. Drea: Yes, and that comes from the member who told me the other night that if I could show him we were more than meeting the community list he would accept our credibility and go along.

Mr. Boudria: I never said that.

Hon. Mr. Drea: Yes, you did.

They were obviously not consulted beforehand. We were in the process of going to consult them at the time the leak occurred. Since that time there have been a great many consultations leading up to this weekend's results. This weekend at their full board meeting—without the government—where they analysed it backwards and forwards on everything they knew, had read

about or had even heard from the member, they endorsed the program. The same thing is true of the Metropolitan Toronto Association for the Mentally Retarded.

Mr. Boudria: On a point of privilege, Mr. Speaker: The minister should be corrected. The Provincial Secretary for Social Development (Mrs. Birch) stated on November 8—

Mr. Speaker: Order. That is not a point of privilege or a point of order.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Drea: Mr. Speaker, I specifically replied, "Not this minister."

Mr. Speaker: Order. That was made quite clear.

Mr. Boudria: Mr. Speaker, I have a new question on the same topic, the closing of the institutions for the mentally retarded.

A few minutes ago the minister stated in reply to the member for Scarborough West (Mr. R. F. Johnston) that the closing of the Bluewater Centre was not planned years ahead, that when he made his speech it was to stay open. Yet the minister in this House, and Garry Baker his top administrator, both said the closing of these centres had been preceded by years of planning and discussion. I would like the minister to clarify which it is.

If the latter is the case, why are parents shocked and angry and why do local associations still not know their role in all of this? Again, if he has had years of planning—and maybe he did not—maybe he could clarify that.

In particular, why has \$2.1 million been spent at Pine Ridge, a facility the minister said minutes ago is going to be closed some time in 1984, on renovations specifically to adapt the building for the care of the mentally retarded? Those renovations include the construction of special cottages as a form of deinstitutionalization right on the premises and the construction of elevators. As a matter of fact, can the minister tell us whether the renovations, which are still going on, will be completed in time for him to close the building?

Hon. Mr. Drea: Mr. Speaker, in reply to the last part of the question, the honourable member obviously wants a repetition of some of the things that were contained in the Williston report, which his colleague read a little earlier and which was from an earlier day.

First of all, with respect to consulting with local associations and the OAMR on the general

principles of deinstitutionalization—because the member talked about centres; not one, but “centres,” just so he does not bleat in a minute that he has been misunderstood—this ministry has been consulting with local associations and the OAMR for several years concerning the phasing out of facilities. That is a well-known fact, and indeed it was pointed out on Saturday. Did they not have the member there as one of the experts to advise them?

3:10 p.m.

When looking at the phasing down of facilities, all 17 were under review. I draw to the member's attention questions asked of me in the House last year by the member for Northumberland (Mr. Sheppard); certainly D'Arcy Place was under review at that time, more than a year ago. All the facilities—and this was pointed out—were under review. However, it was a personal goal of mine, because of the particular affection I had for Bluewater, that Bluewater should not be included. When it became necessary to include Bluewater, it was done. To accuse us of going into this haphazardly is to suggest that the OAMR and other associations that support us do not know what they are doing either.

Mr. Boudria: Oh no, we did not say that.

Hon. Mr. Drea: Oh yes, he did.

Mr. Boudria: He knows we did not.

Hon. Mr. Drea: When they start asking him, my friend had better be in full retreat.

Mr. Boudria: How is the minister able to plan with confidence the mobilization of the 1,000 mentally retarded he is going to be moving? According to the man in charge, the minister has no estimate of people on waiting lists in the community. This is according to his own official. He does not know how many are on waiting lists now; if he can, I would like him to give us the exact number on waiting lists already.

There are no definite figures of how many beds will be created and, if there are, he has not stated them in this House. With no quantification of demand or definite figures on supply, his ministry is planning the future of more than 1,000 people. How is he doing it? Is it just cost that is the motivation behind all this, or is there actually a plan with some kind of rationalization?

Hon. Mr. Drea: Obviously on either Monday night or Tuesday night—I believe it was Tuesday, although it could have been Monday—the member was not here when I answered in some detail about the waiting list.

I ask him not to point his finger at me. He was not here. He departed for some place in between and then came back looking around at a later hour.

I will read it again. This will take care of the waiting list and a number of other things. The member for Scarborough West heard it. He is going to hear it again. Obviously something occurred to the member for Prescott-Russell.

“In the accelerated community living programs for the developmentally handicapped, my staff examined all factors which influence the availability of services.

“One major factor was turnover. At the present we have 3,600 community residential beds. Each year, many residents of these places are able to move on to a more independent setting. For example, some people are able to move out into their own apartments with the support of adult protective service workers.

“As a result of this flow-through, residential opportunities for our clients do not depend fully on new beds. In fact, while we plan to add 244 more new group home beds over the next five years, we expect the normal turnover will make an additional 420 group home beds available providing a total of 664 places in group homes over the next five years.

“In addition to the standard group homes, the ministry has committed in the five-year plan to developing 200 new places for hard-to-serve children and 150 places for hard-to-serve adults. We are also making funds available for the conversion of 100 group home beds to more intensive settings.

“The minimum projected number of residential places available over the next five years will be 1,014. It is my ministry's expectation that 300 to 400 of these beds will be taken by discharged institutional residents, leaving 600 to 700 for community residents who are on waiting lists of community agencies.”

Even the waiting list, the member said the other night, was far from complete; he conceded he had to get it. Obviously that number will just about meet what he found out was there.

I also want to point out two other little relevant factors. We will also provide another 750 community living opportunities which will be available. It is important to note that the five-year plan is as of April 1, 1983. To strengthen the base of the plan, my ministry has been working in this fiscal year—that is today—to bring on new residences, work places and community support.

We expect to provide community living spaces for 400 people before the five-year plan even begins in April. That brings us up to 1,514. I think that more than answers the question and the concerns of the member.

INDIAN BAND AGREEMENT

Mr. Laughren: Mr. Speaker, I have a question for the Minister of Natural Resources concerning the native fishing agreement. In view of the fact that there has been a great deal of heat generated out there in Ontario about the agreement, and in particular about the zones and which lakes will be zoned in which way, can the minister tell us a couple of things?

First, when the agreement was signed, did the minister know which lakes were going to be zoned in which way? If he did not know, does he not realize this is what is contributing to a lot of the problems out there across Ontario? One of the reasons we are not having an informed debate and criticism of the agreement out there is that people do not understand which lakes are being zoned in which way.

Can the minister tell us when we will all know which lakes specifically are going to be zoned in the way that is outlined in the agreement so that we can get on with an informed debate across this province on the agreement?

Hon. Mr. Pope: Mr. Speaker, it is true that at the time the agreement was signed a zoning decision had not been made on any lakes. There had been some discussion and a proposition advanced by four band councils with respect to only a part of the West Patricia area in terms of zones. A proposed response was submitted back to them by the Minister of Natural Resources, incorporating the concerns of the Northern Ontario Tourist Outfitters Association. I say that to my friend the member for Rainy River (Mr. T. P. Reid). It was always known that map was being prepared for the purpose of that response.

I had requested in May 1982 that the Indian negotiators go back to the bands and submit a detailed list of every single lake and every single zoning request that they wanted to make to the tripartite council so that could be resolved before the agreement was signed. That was my position, and I knew of the problems if that did not happen.

After three months the Indian negotiators came to me and said that it was absolutely impossible; that they had not been able to prepare any maps, although they had had a couple of meetings with staff in various loca-

tions. Therefore, they would have to agree to a general system which only would be able to be implemented by specific regulation after the agreement was signed. I knew that was not the preferred course, but it was the only option I had available to me to get an agreement. I think that is important. It is contributing to some of the misunderstanding and apprehension out there.

Mr. Speaker, on two occasions the member for Rainy River has risen and indicated that, directly or by inference, I had misled this House with respect to statements that were made on December 20 and reported in Hansard. The first time the member rose there was some validity to the point he was making, because when he talked about the Ontario Federation of Anglers and Hunters, on the afternoon of December 16 they sent me a telex urging me not to sign. That arrived in my office on December 17, after I had already signed.

They sent a letter dated December 8, detailing every single principle of the agreement. The reason I did not stand in my place before is that it is true that in their detailed, clause-by-clause analysis of that agreement they indicated that sports fishing should have priority over Indian fishing for food. They also indicated that they did not like the wording of the zone 1 designation and that it should be only for lakes completely surrounded by reserve land. They did not agree—

Mr. T. P. Reid: Is this a point of order?

Hon. Mr. Pope: I was going to stand on a point of privilege anyway. They did not agree that this agreement should not be part of the constitutional and aboriginal negotiations that were going on in the constitutional forum. Those were the three objections. If the member reads the letter from the Ontario Federation of Anglers and Hunters—

Mr. T. P. Reid: That pretty well covers it, don't you think?

Hon. Mr. Pope: It does not cover it. If he would read the agreement and read their letter, he would see that they agreed with every other principle in the agreement. In fairness, he should ask them to produce the letter.

Now let us talk about the Northern Ontario Tourist Outfitters Association. The member has indicated that by inference I said NOTOA approved of this agreement. I am going to read from Hansard of December 20. I think he should have read from it too when he stood in his place in the House today. He should have read it

before he made the allegations that he did. Here is a quote from Hansard:

"The Northern Ontario Tourist Outfitters Association was advised in August"—I said that in the House on Thursday and, in fact, it was August 14—"as was the Ontario Federation of Anglers and Hunters, that it was taking place. It was the subject matter of negotiations at the NOTOA annual convention in Thunder Bay. Four to five weeks ago, they were briefed for half an hour by myself as to the principles involved. Their help was solicited with respect to the possible zoning problems. They provided maps to the Ministry of Natural Resources, which have been helpful to us in terms of the West Patricia area.

"The Indian chiefs did get together and make a zoning submission on the West Patricia area, and we had a response on behalf of the government of Ontario that took into account the concerns of the northern Ontario tourist outfitters."

On the following page, there is a further statement in reply to a question from the member for Nickel Belt (Mr. Laughren). "I have already indicated to the Northern Ontario Tourist Outfitters Association, the Ontario Federation of Anglers and Hunters and their municipal representatives, that they would all be involved in consultation before any specific zoning decisions are made and before any of the detailed implementation regulations are passed." That is from Hansard of December 20.

3:20 p.m.

Mr. Speaker: The time for oral questions has expired.

Mr. T. P. Reid: Mr. Speaker, I rise on a point of privilege in regard to what the minister has just said. I rose earlier in the day before question period and read into—

Mr. Speaker: Order, please. I think you are more properly rising on a supplementary in reply to the statement.

Mr. T. P. Reid: Mr. Speaker, with respect, the minister is accusing me of misrepresenting and misleading—

Mr. Stokes: If it is a question of a supplementary, I think we are entitled to the first supplementary; and I have one, if you are listening to a supplementary.

Mr. Speaker: The reply as I heard it was specifically to two members, the member for Rainy River and the member for Nickel Belt.

Mr. T. P. Reid: With respect, my friend asked one question.

Mr. Speaker: I am prepared to hear the member for Rainy River first.

Mr. Laughren: Is this a supplementary question that is being asked?

Mr. T. P. Reid: It is a point of privilege.

Mr. Speaker: It is not a supplementary question. It is supplementary in reply to the minister's statement. The time for oral questions had expired. I am prepared to listen to one supplementary from each of the members mentioned.

Mr. Stokes: When did you ever have a supplementary in reply to a minister's statement?

Mr. Speaker: We always do, with all respect. I will listen to whoever wants to stand first on a point of privilege.

Mr. T. P. Reid: Mr. Speaker, that is what I stood on. I will be very brief. I will table with the Clerk a copy of the letter received from NOTOA, as well as a letter from the Ontario Federation of Anglers and Hunters. I should think anybody reading this information obviously would be of the opinion that neither of these organizations was in agreement in principle with the document the minister signed.

It is the secretiveness, and the way he told them that this was all in confidence and that they could not tell their members, that are causing the problems. If he had given us some indication of what was in this agreement and what was being contemplated in the list of the lakes involved, we would not have had this confrontation in northern Ontario. It is the very secretiveness of the government that has caused this problem.

Hon. Mr. Pope: The member just made two statements in reference to those letters and the discussions that were not true.

Mr. T. P. Reid: Read the letters.

Mr. Speaker: I have no way of knowing one way or the other.

Mr. T. P. Reid: Mr. Speaker, the minister is obviously accusing me at the very least of telling an untruth, and I think he should withdraw that.

Hon. Mr. Pope: No, Mr. Speaker, I specifically did not say that. I said two of the statements made by the member were not true. I am not saying he is deliberately misleading the House. I am saying that two of the statements he just made were not true.

Mr. Speaker: I am not sure really what the difference is. If they are not true—

Mr. T. P. Reid: Mr. Speaker, can I call the minister a prevaricator rather than a liar?

Mr. Speaker: No.

Mr. T. P. Reid: I did not think so.

Mr. Speaker: For the information of the minister, as I heard it the honourable member was reading and repeating a statement from a letter—

Hon. Mr. Pope: Is that what the member is saying?

Mr. T. P. Reid: I am not saying it; their own letters say it. The minister can read their letters the same as everybody else.

Mr. Laughren: Mr. Speaker, on a point of privilege: I have a supplementary to the minister's statement.

I wonder whether it would help things, from the point of view of the member for Rainy River, NOTOA, the chambers of commerce, the hunters and anglers, and perhaps even the Minister of Northern Affairs (Mr. Bernier), if the Minister of Natural Resources could tell us when we can expect the specific designation of zones for those lakes he keeps talking about. That is what is causing all the problems.

Hon. Mr. Pope: Mr. Speaker, I indicated last Thursday—and I think all honourable members of the House, including the member for Rainy River, received a copy of the statement—that we will be making no zoning decisions until we have had consultations with the other user groups. The bands will have to make submissions to us with respect to their zoning requests before we can react to them.

Mr. Martel: On a point of order, Mr. Speaker: Might I ask if you would have the clerks arrange the proper wording for this new rule 107, which now has been introduced into the Legislature, so I will understand just what has gone on for the last five or six minutes and so I might be able to use it at a later date, because I am simply confused as to what in God's name is going on.

Mr. Speaker: I will be happy to remember this when somebody rises to reply to a ministerial statement or to ask a question in the future. Quite obviously the question period had expired. The minister indicated that by saying, "I was going to rise on a point of privilege and make a statement anyway." He made a statement. We always allow supplementaries to a ministerial statement.

Mr. Stokes: If he gets up on a point of privilege or a point of order.

Mr. Speaker: Order. That is exactly what he did, if the honourable member had been listening.

Mr. Stokes: That is not what you just said.

Mr. Speaker: It is not what I said; it is what the minister said.

Mr. Martel: That is why I wanted an interpretation.

Mr. Speaker: Now you have an interpretation.

MOTION

WITHDRAWAL OF BILL 139

Hon. Mr. Wells moved that the order for second reading of Bill 139, An Act to revise the Mechanics' Lien Act, be discharged and that the bill be withdrawn.

Hon. Mr. Wells: Mr. Speaker, I should indicate that it is the intention of the Attorney General (Mr. McMurtry), under Introduction of Bills, to move a new bill that will incorporate some 70 amendments to Bill 139 so that when the House considers the bill tomorrow we will have the up-to-date, complete bill and it will not be necessary to make major or numerous amendments.

Mr. Renwick: Mr. Speaker, with regard to the motion by the government House leader, would it be possible to include Bill 127 in that motion?

Mr. Speaker: Order.

Motion agreed to.

INTRODUCTION OF BILLS

CROWN TRUST COMPANY ACT

Hon. Mr. Elgie moved, seconded by Hon. Mr. Baetz, first reading of Bill 215, An Act respecting Crown Trust Company.

Motion agreed to.

Mr. McClellan: On a point of order, Mr. Speaker: Standing order 32(c) states, "On the introduction of a government bill a compendium of background information shall be delivered to the opposition critics."

I do not believe that a compendium of background information has been delivered to the opposition critics, and it is particularly unfortunate since this issue has preoccupied the attention of the opposition for a good period of time. It seems to me that there is an extraordinary obligation on the minister to provide a compendium of information dealing with the matters that have been raised day after day by the two opposition leaders. He has no choice.

Hon. Mr. Elgie: The compendium that is

available will be forwarded shortly. I regret that there has been some delay in providing it.

3:30 p.m.

CONSTRUCTION LIEN ACT

Hon. Mr. McMurtry moved, seconded by Hon. Mr. Wells, first reading of Bill 216, An Act to revise the Mechanics' Lien Act.

Motion agreed to.

Hon. Mr. McMurtry: Mr. Speaker, I introduced Bill 139, the Construction Lien Act, for first reading on June 8 last year. At that time I pointed out that this was the first total rewriting of the legislation in over 100 years. Because millions of dollars and the futures of workers, material suppliers, contractors, subcontractors, owners and lenders are at issue in lien litigation, the ministry has endeavoured to make the legislation as clear as possible.

On June 8, I said: "In reviewing suggestions for amendments to this bill, the ministry is eager to make technical revisions to improve the operation of the bill when enacted."

Construction lien conferences are being held by private groups and the Canadian Bar Association has had conferences across the province attended by over 1,000 lawyers. Those conducting the conferences and those attending them have pointed out where the bill can be improved technically.

Today, Bill 139 is to be replaced in order to facilitate its passage in this House. The new bill incorporates many of the suggestions for improvement that have been presented to the ministry. Of course, the process of revision of lien legislation, which involves so many areas of legal practice and which affects so many different interests connected with this vital industry, could go on indefinitely. However, there comes a time when the thinking and improving should come to an end and the legislation proceed. I believe that time has come.

On June 8, I stated that substantive changes to the bill, because they may affect the delicate compromises which have made the legislation possible, would not be made without compelling reasons for doing so.

Lenders and apartment builders in particular have attempted to convince the government, and I believe the opposition parties, that section 80 of the bill would be harmful to the construction industry. I am quite confident that the opposite is true. I believe that holdback security is vital to the construction industry and that, as

contained in section 80, holdback security will be achieved with a minimum of cost.

I will be saying more about the Construction Lien Act before second reading. I wanted, however, to make it clear that the new bill does not in any way compromise the principles of Bill 139.

MOTION TO SET ASIDE ORDINARY BUSINESS

Mr. Riddell moved, seconded by Mr. Boudria, pursuant to standing order 34(a), that the ordinary business of the House be set aside to discuss a matter of urgent public importance, namely the unfolding emotional and psychological tragedy to be wrought upon a large number of our citizens by the closing of the six institutions for the developmentally handicapped: St. Lawrence Regional Centre, Brockville, 1983-84; Bluewater Centre, Goderich, 1983-84; St. Thomas Adult Rehabilitation and Training Centre, 1984-85; Pine Ridge, Aurora, 1984-85; D'Arcy Place, Cobourg, 1985-86; and Durham Regional Centre, Whitby, 1986-87; the lack of public input into this policy; the gross underestimation of the services required in the community; the failure of the government to answer specific concerns of parents, staff members, volunteers and the municipalities affected and assure them that the proper services will be in place before an institution is closed; and, for these reasons and others, that a moratorium be placed on the minister's ill-conceived plan to close these facilities until a proper policy is adopted, one which recognizes the vital role played by the smaller facilities and community-based alternatives as opposed to large institutions, in the care for the developmentally handicapped.

Mr. Speaker: I would like to advise all honourable members that the notice of motion has been received in time. I will be pleased to listen to the members, for up to five minutes, as to why they think the ordinary business of the House should be set aside.

Mr. Riddell: Thank you, Mr. Speaker. If you have been following the questions which have been asked in this Legislature over the last number of weeks regarding the announcement by the minister of the five-year plan to close six centres for the developmentally handicapped and to reduce in size a seventh, you will know that those people in our society who cannot defend themselves, such as the mentally retarded, are being sacrificed at the altar of the government's restraint program.

The Minister of Community and Social Ser-

vices (Mr. Drea) announced a plan to phase out six residential facilities for the developmentally handicapped over the next five years, starting with the St. Lawrence Regional Centre in Brockville and the Bluewater Centre in Goderich this year. I have already mentioned the other centres in the motion which I just put.

Residents are now being moved from the St. Lawrence Regional Centre. Because we believe so little planning has gone into the deinstitutionalization of developmentally handicapped people, we feel very strongly that a moratorium must be placed on the closing of these centres until further study has been given to the whole matter of deinstitutionalization.

Neither the Minister of Community and Social Services nor the Premier (Mr. Davis) has accepted invitations to personally attend meetings held in the various municipalities to allay the concerns of not only the developmentally handicapped people but also their parents, their relatives, their friends, the staffs at these centres and the communities at large.

The minister chooses to send hit men like Dr. Garry Baker and Mr. McDonald, the deputy minister, to answer questions. I want to say that in many cases these two gentlemen have been embarrassed by the kinds of questions which have been asked by members of the Ontario Public Service Employees Union, who are very concerned about the closing of these centres. Neither Dr. Garry Baker nor Mr. McDonald has been able to adequately answer some of the questions that were posed by these members of OPSEU as well as by concerned citizens and parents of the mentally retarded residents.

I would like to mention just a few of the concerns which we in the Liberal Party and which thousands of citizens across Ontario have about the five-year plan to close these residential facilities for the developmentally handicapped.

Why are the small institutions being closed, when Walter Williston, QC, said in his report to the Minister of Health, who at that time was the Honourable Bert Lawrence: "The large institutions with 200 and more residents are not the best way to provide care for mentally retarded people as they unnecessarily restrict their lifestyle"?

I ask the minister why he does not deinstitutionalize the larger institutions and make them smaller and more human? This is exactly the question that Mr. Williston posed in his report.

The other concerns are: What impact will the closings have on the small towns and municipal-

ities? Why has the closing of institutions never been recommended in any studies until now? Where are the studies that have led to this five-year plan?

Mr. Speaker: One minute.

Mr. Riddell: Why has there been no long-range planning? Why has the ministry funded renovations at Pine Ridge to the extent of \$2.1 million over the last year or two, and funded new facilities at the Goderich centre for the developmentally handicapped amounting to somewhere in the neighbourhood of \$85,000 to put a new addition on the barn?

If the minister feels that deinstitutionalization has been successfully carried out for the last seven years, why is he taking such drastic action now by closing six of the smaller, more effective institutions? Why has there been no consultation with communities involved, including parents, the Ontario Association for the Mentally Retarded, local associations for the mentally retarded, staff, municipalities and communities where group homes will be established?

With the funds which the minister is devoting to—

Mr. Speaker: The member's time has expired.
3:40 p.m.

Mr. Riddell: I could go on and on and speak of all the concerns that we have about the closing of these centres, concerns which the minister to this time has not addressed. We feel that we must get answers to these concerns. We feel there has to be further study before we go ahead with the closing of any of these centres.

Mr. R. F. Johnston: Mr. Speaker, I rise on behalf of the New Democratic Party to support this motion for an emergency debate. I do so for a number of reasons, because of what has gone on in terms of the deinstitutionalization up to this point, the planning and lack of openness in the process and also—one has to consider this—because it is at an emergency state. One has a right to ask that if this is something that was announced two months ago, why is this an emergency today, and I would like to speak to that if I could in this five minutes.

The process for deinstitutionalization of the mentally retarded has been under way for a long time. Reports such as the Williston report, suggesting the closing of the largest institutions, have been on the table for a long time. There has been movement within the ministry to make deinstitutionalization effective to a limited degree.

However, this decision to close these particular institutions came right out of the blue.

Nobody was expecting this at all. It was not in the tradition of the decisions that had been made up to this point. In his position paper to cabinet, as he was trying to sell this thing, the minister basically said: "We will push this thing through and we will consult afterwards. These are the kinds of responses that you can expect, but basically we will be able to get this thing through and there will not be much trouble."

I do not think the minister expected the kind of response that is now coming from those communities and from the workers involved. It is not just a matter of trying to save jobs. It is a matter of quality of care. Those communities are very concerned about that, and to say otherwise is to insult those communities.

This minister gave a very syrupy speech a year and a half ago about how great this one institution, Bluewater, was and the kind of quality of care that was being given, and yet he is now imposing a process on them with no openness, with no possibility of changing it, just of adapting to it, that is all, for that community.

We have real reason to be concerned about the lack of community programming and money that has been given for community programming in the last number of years by this ministry. Ironically, the underfunding that has been consistent in the last seven years, with as much as \$5 million a year left unspent, is likely to end this year. It is likely to all be spent because of the pressure he is under. The \$48 million he has for community accommodation is likely to be spent for the first time in any of his budgets because of the pressure he is now under.

He knows that a lot of these communities do not have the capacity to respond to the kinds of deinstitutionalization he is talking about, and that people will not be kept in their communities but will be moved again. He knows that because he is already doing that in Brockville.

Why is there an emergency? The emergency is there for two reasons. One is that there are many thousands of people—residents, parents and communities—who are very concerned and are emotionally upset about what is going on because of the lack of consultation, and that upset must be allayed by a major and frank discussion here in the Legislature today.

More important, and very specifically, he is in the process now of closing down an institution. Brockville may be said to be closing in 1983-84, in terms of projection, but right now he is closing that institution. Right now he is avoiding the process of openness and discussion about where we should be doing this and the public

process that should be taken and he is closing Brockville. Six residents were moved last Friday, but not into the community. They were moved to Rideau, the largest institution in that area of the province and one of the largest in the province. Four more will be gone by this Friday, taken one at a time each day starting tomorrow, so that will be 10.

Where are they going? They are going to Rideau. Where are we being told the rest are going? Not to some community residence in Cornwall, but to Edgar, a facility in Barrie which is already at capacity and to which perhaps eight people can go. That community has no connection with eastern Ontario at all.

This is the lack of planning that is going on. There is going to be major disruption right now in Brockville. It is time for a moratorium. It is time to stop. It is time to have a legislative committee look at this in public and hold hearings in the various communities.

We cannot stop this. The Brockville facility will essentially be moved if we do not have a debate on it today and bring the focus on it today that is necessary so we can stop this minister from acting in a way that disregards the interests of the community and force him to act in a way that includes it in the decision making.

That is why the six mayors of these communities are upset at not having been able to see him. That is why we must have an emergency debate today. It cannot wait any longer. Ten people will be gone by this weekend from Rideau, and many other things will be taking place in Brockville that we will not be able to change if we do not have the debate today.

Hon. Mr. Drea: Mr. Speaker, while I obviously welcome any scrutiny on the phasing out of six facilities for the mentally retarded, I would point out that, contrary to the statements of the last speaker and contrary to some of the innuendoes of the speaker before that, it is not an emergency situation.

The plan has not been public for two months; it has been public for more than three months, since last October. It is winning widespread public support, particularly from those who have the most personal and intimate stake in the care of the retarded.

I would point out that the plan is far from ill conceived, as the resolution states. To vote in support of that allegation is to slap the Ontario Association for the Mentally Retarded, which now supports it. This weekend the OAMR at its full board meeting endorsed the plan and will work with us in partnership in its implementa-

tion. Do any honourable members suggest that the OAMR would support an ill-conceived plan?

Mr. R. F. Johnston: What choice do they have?

Hon. Mr. Drea: Then I presume the member says they are supporting an ill-conceived plan. If that is what he wants to say, let him stand up and say it.

Mr. R. F. Johnston: I say that if they are supporting it—

Hon. Mr. Drea: He says that. Fine. Mr. Speaker, let the record show he said it.

Mr. R. F. Johnston: I will say it in a full sentence if you want.

Hon. Mr. Drea: The Metropolitan Toronto Association for the Mentally Retarded also supports the plan and is enthusiastically joining us in its implementation. Again it is the member's right, if he wants to, to get up and say that the MTAMR is supporting an ill-conceived plan.

Regarding the second question, that there is a gross underestimation of the services required in the community, in the numbers I read earlier this afternoon—and I do not think I have to repeat them, although I am perfectly prepared to do so—we have pointed out that we know what is required out there. We know and have taken into account what we have to do on the basis of that 1,414.

The member for Prescott-Russell (Mr. Boudria), in one of his brief appearances when he wandered in and out the other night, said: "We do not know what the waiting list is. We think it is around 500; it could be 1,000." Even at the upper limits we obviously are aware of the need in the community in addition to those who are in the facilities.

I would like to point out something else, particularly with respect to the question of ensuring that the proper services will be available before they are phased out. I touched on that this afternoon, but I would like to refer to the St. Lawrence Regional Centre, since it has already been mentioned. At the present time, staff in that centre are consulting with parents, residents, local officials and community groups in finalizing the planning for residents and staff of the St. Lawrence Regional Centre. A specific plan has been developed for each resident in the facility and these plans have been discussed with those parents who have been actively involved.

At the present time, three group homes are

being established in the areas surrounding Brockville and the ministry is proceeding to develop additional residential spaces in the city. No doubt my friend and colleague the member for Leeds (Mr. Runciman) will have some things to say about this in Brockville in the very near future. I have not seen anybody from the other groups in Brockville.

In addition, the facility has been arranging placements of residents in group home beds that are currently vacant in several areas in eastern Ontario, including Ottawa, Bancroft and Stormont, Dundas and Glengarry. We have found community agencies very accommodating and helpful in this process and supportive in the placement of residents.

Let me say once again that no institutional resident will be discharged to community life until a specific alternative that meets his or her particular need has been found.

3:50 p.m.

I also want to point out that this can hardly be an emergency when it is based upon a report that is so old and so outdated that it led to this ministry receiving the jurisdiction for the care of the mentally retarded with the mandate to go forward with deinstitutionalization; that is the Williston report.

I would also point out that as we move closer to the phase-out target date, we will be consulting with parents and with a large number of groups. I have not been sending hit men or anybody else. As we move closer to the date, we have been sending people who are discussing the program on a conceptual plan, as we are doing in Brockville, with the individual parents in their own homes.

There is no emergency. We already discussed it for the bulk of question period today.

Mr. Speaker: I have no doubt the subject matter of this motion will be considered of great importance to many people in this province. However, I must point out that this program was announced by the minister in October 1982. Since that time it has been discussed on numerous occasions through October, November, December and, indeed, as recently as last week when the estimates of the ministry were concurred in. There will undoubtedly be many more opportunities as this program, as I understand it, is to be phased in over a five-year period.

For these reasons, I cannot consider that the motion meets the requirement of urgency as

required by standing order 34 and I must therefore rule the motion out of order.

Mr. Cooke: What was the use of the five-minute debate?

Mr. R. F. Johnston: Are you reading a reply that was written in advance?

Mr. Speaker: No, I have the standing orders in front of me. I have a copy of the motion. The motion is out of order.

Mr. Riddell: Mr. Speaker, as reluctant as I am to do this, in the interests of those people in our society who cannot defend themselves against the heavy hand of government I am going to challenge your ruling.

4:10 p.m.

The House divided on the Speaker's ruling, which was sustained on the following vote:

Ayes

Andrewes, Ashe, Baetz, Barlow, Bennett, Cousens, Cureatz, Davis, Dean, Drea, Eaton, Elgie, Eves, Gillies, Gregory, Grossman, Havrot, Henderson, Hennessy, Hodgson, Johnson, J. M., Kells, Kolyn, Lane, Leluk, McCaffrey, McCague, McLean, McMurtry, McNeil, Miller, F. S., Mitchell;

Norton, Piché, Pollock, Pope, Ramsay, Robinson, Runciman, Scrivener, Sheppard, Shymko, Snow, Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Villeneuve, Walker, Welch, Wells, Williams, Wiseman, Yakabuski.

Nays

Allen, Boudria, Bradley, Breaugh, Bryden, Cassidy, Charlton, Cooke, Copps, Cunningham, Di Santo, Edighoffer, Elston, Grande, Johnston, R. F., Laughren, Lupusella, Mackenzie, Martel, McClellan, McEwen, McGuigan, McKessock, Newman, O'Neil, Philip, Rae, Reed, J. A., Reid, T. P., Renwick, Riddell, Ruprecht, Ruston, Sargent, Spensieri, Swart, Worton.

Ayes 55; nays 37.

ORDERS OF THE DAY

House in committee of supply.

SUPPLEMENTARY ESTIMATES, MINISTRY OF TREASURY AND ECONOMICS

On vote 904, economic policy branch; item 3, industrial leadership and development fund:

Mr. Chairman: Does the honourable minister have an opening statement for us?

Hon. F. S. Miller: Mr. Chairman, it is not an opening statement as much as to point out that under vote 904, item 3, \$70 million is being

added to the Board of Industrial Leadership and Development fund. Of that, \$50 million will in turn be flowed to ministries of the government of Ontario to cover the spending for job creation that we have authorized for provincial programs.

Also, \$20 million of that money is our estimate at this point for the co-operative economic development fund with the federal government, which is a \$200-million program, over 18 months. Our share is \$20 million, which we expect to be spent in the balance of this fiscal year.

The breakdown of the \$50 million that has been allocated to our own ministries is as follows:

Ministry of Community and Social Services under the homes for the aged program, \$1.3 million;

Ministry of Correctional Services for correctional institutions, \$1.3 million;

Ministry of Colleges and Universities, \$8.6 million for colleges and \$10.9 million for universities;

Ministry of Education, \$4 million for primary and secondary schools;

Ministry of the Environment, \$0.6 million;

Ministry of Government Services \$2.5 million;

Ministry of Health, \$9 million for hospitals.

Ontario Provincial Police facilities under the Ministry of the Solicitor General, \$0.8 million;

Winter Experience, \$1 million.

The preceding allocations total \$40 million. In co-operative programs with the Unemployment Insurance Commission, sections 38 and 39, we have \$5 million each, bringing the total to \$50 million.

Our section of the \$50 million is estimated to create about 7,500 short-term jobs, as we said earlier. That, in effect, is the background to the moneys requested to date.

Mr. T. P. Reid: Did I understand the Treasurer to say \$70 million in total? Why do I have \$171 million in this supplementary estimate?

Hon. F. S. Miller: I do not know which supplementary estimate the member has.

Mr. T. P. Reid: Maybe the Treasurer could send me a copy of what he has there instead of the one I have here. This is not his second supplementary estimate is it?

Hon. F. S. Miller: Turn to the first page inside the cover. That is the summary of them. The part applying to Treasury and Economics is on pages 1 and 2 and is \$70 million. The part applying to the Social Development policy field is \$97 million, for a total of \$167 million.

My time relates only to the \$70 million on pages 1 and 2 of this. Could the member send his copy over so I can compare it?

Mr. T. P. Reid: While that is being done I want to make some preliminary remarks about the supplementary estimates. I think I speak for a lot of people in Ontario when I say we are disappointed with the lack of speed and direction in which these programs have been carried out.

It is interesting, as was noted during the question period, that the Treasurer's estimate of the number of employed in Ontario in December 1982 was off by 334,000 people. In fact, in spite of the 125,000 jobs he thought were going to be created, 209,000 fewer Ontarians were employed in December than in May, bringing the total of those without jobs to 334,000 more than he indicated in his budget.

It is a sad commentary on the bureaucracy and red tape we have in government today that both the federal and provincial governments have been so slow to respond in terms of knowing the unemployment situation in Ontario and in Canada was going to continue to get worse in the fall months and over the winter.

4:20 p.m.

I bring to the minister's attention a story on page 3 of the *Toronto Star* today about a person ordinarily a friend of the minister and of this government, the chairman of Metropolitan Toronto. The headline reads, "\$280 Million Plan Useless to Jobless: Godfrey."

I would like to read into the record what Mr. Godfrey is quoted as saying: "Ottawa and Queen's Park's highly touted \$280 million make-work scheme is 'ill-conceived' and won't help many of Metro's desperate jobless this winter, Metro Chairman Paul Godfrey charges."

It goes on to say, "The provincial and federal governments are getting little bang from their bucks and will end up with a hodgepodge of small projects instead of major projects needed to create a lot of jobs," he said." Further down in the article Godfrey is quoted as saying, "the job creation scheme was conceived 'out of panic with no long-term planning given any consideration.'"

The Treasurer has indicated briefly where the money is going of the \$50 million he is putting up. I would like him to assure us of the criterion he set originally. It was that the money in these programs would be going to those areas where there is high unemployment—that would be the priority. Areas where there was less

unemployment and perhaps other opportunities would receive considerably less.

I trust the Treasurer will agree that was what he told us before but, in consultation with or asking the various ministries which are dealing on a day-to-day basis with this program they are not going by that criterion at all.

For instance, spokesmen for both the Ministry of Correctional Services and the Ministry of Government Services stated their only major criteria for allocating funds are the needs for repair work in the various institutions and buildings, with some consideration being given to labour intensity of different proposals. According to them, local economic conditions are not a criterion. It is also unclear whether any consideration of local unemployment is made in allocations to hospitals which are made on the basis of a review of proposals received from the hospitals.

Since there is obviously some dispute between the Treasurer and the various ministries as to what the criteria are, will the Treasurer assure us he will clarify the matter by issuing a directive instructing all ministries to use local employment levels as a major criterion in making allocations? I hope he will reconfirm that today.

What particularly bothers me about this program has been the response of the government. I would have thought we were in some kind of restraint or constraint position not only since the last May budget but even before that—going back to 1976 when Mr. McKeough was Treasurer.

One would have thought there was a whole list of capital projects, building projects and short-term and long-term programs sitting on the shelves in almost every ministry, as well as requests to the ministry through the municipalities, school boards, etc., that could have been taken off the shelf. I refer to projects and programs about which it could be said: "All right, there we are. There is something we can start on."

For instance, I have been told the capital costs under the Wintario program have been frozen for five years. We are told under social services that their capital budgets are strained to the utmost. Why are these projects not being brought forward? Why have we seen, as of January 24, 1983, as far as I know, that projects entailing only something like 157 people have been announced? We have been talking in this House about the unemployment program since last October and November—even in September when we first came back. Where are the 7,500 going to come from which the Treasurer

has just indicated are presumably going to flow from this \$70 million?

It is interesting the Canadian Conference of Catholic Bishops should have come out with a statement just before Christmas in which they expressed their concern about the state of unemployment in Canada and made a few other remarks relating to economic matters. I must say I was not particularly sympathetic to them at that point. I had some reservations about what they were saying, along with a lot of other people, I presume. They indicated that the current rate of unemployment in Ontario and Canada—they were talking about Canada—was verging on immorality.

What I find completely immoral is the fact that we have money in these programs. Supposedly we have a \$200 million agreement in principle between Canada and Ontario for job creation programs and we have \$50 million more immediately available that the Treasurer has been talking about throwing in since before Christmas, yet we do not see any actual people at work on them.

We can go through what has happened so far. Allocations to school boards were only announced this week and 55 per cent of the funding for hospitals is still uncommitted. Only a small percentage of the jobs created through work at correctional institutions and government buildings is now under way. Likewise, little action has yet commenced on additional section 38 jobs and section 39 job-training programs funded with \$10 million from the unilateral program. The Treasurer referred to that but very little has been done.

Some of the section 39 expenditures by the Ontario Manpower Commission may well come after the March 31 deadline for the program. How the Treasurer justified this slow response is beyond me. I realize there have been other problems. The problems of the trust companies have taken over centre stage in Ontario, but surely the problems of the unemployed are still with us.

We have had a report from Metro social services about the 3,500 and possibly double that number who are single and homeless in Toronto alone, never mind the rest of the province. We see that people are writing letters threatening suicide because they do not have jobs, yet we see very little actually going on.

Mr. Godfrey indicates in his remarks that this is all a public relations stunt so it will appear as if the government is doing something. I suppose if they announced a \$200 million fund often

enough and then an additional \$50 million unilaterally from Ontario, presumably the people out there walking the streets will be convinced that the government is taking some action.

We have said on this side and in this party that we realize there are no easy solutions, but it still seems to us that given the backlog of projects—I could name 20 or 30 in my constituency alone and others across northern Ontario that could be beefed up—some of this money could go into them. It would be to the benefit not only of the unemployed but to the community as well. Why has that not been done?

What is immoral about this is the fantastic amount of red tape and the wrangling between federal and provincial officials, and even between provincial officials, as to how this money is going to be spent.

Mr. Godfrey also threw into the hopper the fact that these short-term programs were not going to be of much benefit to anyone. It seems to me if we can assist those who are either without unemployment insurance or whose unemployment insurance is running out, if we can tide them over for some time until the economy, we hope, picks up again, it would be of some good. But surely, among these things, there could have been long-term propositions. More could have been done under sections 38 and 39 to provide more permanent jobs and permanent benefits.

4:30 p.m.

It just boggles my mind that we have almost 80,000 civil servants in this province, presumably a large part of whom could bend some effort to coming up with some imaginative and practical ways of putting the minister's 7,500 people to work, so that something more would be available to us and the minister would be able to give us a fuller report.

I wonder whether the minister, in talking of his \$50 million unilateral program, can tell us when he expects all the funds to be distributed, when he expects all the 7,500 people who supposedly will be employed through this program to be at work, and what he is going to do about section 38 and section 39 people. Will they be employed at something before the March 31 deadline? Can he explain why we are now almost at the end of January and very few of the people who were supposed to be assisted by this program are employed? Can he give us some firm numbers as to how many people are now employed under this program?

Hon. F. S. Miller: Mr. Chairman, I think my friend the critic has made an error in his estimation. There is a figure out there for 157 jobs, which he said was the only positive action he had seen to date. My understanding is that this is for projects approved to date under the Canada-Ontario employment development program and relates to some \$1.2 million to \$1.3 million of allocation.

Second, the comments allegedly made by the chairman of Metropolitan Toronto also relate to the COED program. If the member goes back into the history of that program and the negotiations that went on between Ottawa and Ontario throughout the month of November and in early December, he will find that Ontario consistently said it hoped for a less cumbersome approval procedure, particularly as it related to projects that were suitable for tendering.

The fact is, however, that the federal government understandably gave as its first priority the need to assist people who not only were out of work but had exhausted their unemployment insurance benefits. The condition for all provincial governments wishing to co-operate with the federal government was that this had to be the target group. That ties in very closely to the comments my friend made about having the assistance go to the areas where the problems were greatest. It does however, complicate both the municipalities' participation and indeed Ontario's.

I could be quite specific and say that the Minister of Transportation and Communications (Mr. Snow) would very much like to have a chunk of the \$2 million, and I would very much like him to have some. Under normal conditions, he could take some of those shelf jobs the member talked about up in Rainy River district, doing Highway 11 between Atikokan and Fort Francis.

Mr. T. P. Reid: And Highway 621—a whole bunch of them.

Hon. F. S. Miller: Yes. We could name the ones. I just thought I would get them on the record for the member's sake, knowing he is too shy to mention his own for the riding's sake.

The minister could quickly turn those around and call tenders on them and have the work under way early this spring or, in some cases, have brushing done this fall. So far, in spite of the intercessions on his behalf by the government of Ontario, we have not made a lot of progress. We have made some. We have now got to the point where the federal government has accepted that tendering will be permitted

for jobs that qualify. We believe that is a step forward.

We believe that if we continue in our day-to-day discussions with them—and, contrary to what the member said, they are going on quite smoothly—we can keep pressing for more relaxed ways of getting some of these shelf projects, which are a little bigger than some of the smaller ones the municipalities may have, into the works.

Let me go to the other side: the 7,500 jobs and the \$50 million. Within two or three days of announcing the program in the House I then allocated the amounts the member heard me read into the record to each ministry. They had already sent me detailed lists of shelf projects. In some cases the allocation exactly matched the value of the projects the ministry had asked for, and naturally in some cases the ministries had asked for more than they got. That is one of the reasons I could not read the lists I had with me: to be sure they are the ones the ministries have ended up choosing in some cases.

The money is to flow and must be spent in this fiscal year—that is why we are here for supplementary estimates—and the jobs have to be and are being created. They started being created almost at once. I know of one in my riding, for example—just by coincidence even my riding gets the odd job—which was under way within about two weeks. Last week in the local papers there were pictures of people being hired. Ontario simply did not put the stumbling blocks in the way of hiring and quoting and tendering that went along with the COED program, and that is why the money could be spent more quickly.

My argument at the time was that \$50 million spent in three months had a higher monthly impact than the \$200 million over 18 months; that it in no way restricted Ontario from having more programs at the end of March or whenever the budget comes along; that those programs will be tailored to the state of the economy as it existed then; and that we were quite anxious to see jobs created without saying necessarily that the person getting the job had then to be unemployed and without benefits. We simply said we wanted more jobs in the economy, because inevitably that brought people back to work somewhere in the system who did not have work.

Mr. T. P. Reid: Can the minister assure us, first of all, that the \$50 million will be completely spent by the end of the fiscal year? Second, given that we are into the fourth week

of January, is he prepared to table by the end of January a list of the areas and the kinds of jobs that have been created so we can see how closely he is meeting his target of 7,500 jobs?

Hon. F. S. Miller: I think I can do that. I could have easily read the lists here today, as I say. My problem is twofold at this point. I am not sure that in every instance the ministry has called the job. Therefore, what we did was to give them that money and say, "Since you have the projects ready, please get them out." I understand that some ministries did it almost at once; others may be a little slower in calling them. But obviously they have to be done quickly, I agree with the member on that.

Mr. T. P. Reid: May I ask my last question for now? Because so many of these programs now are popping around, or at least announced if not operative all the time, did the minister not indicate in his \$50-million unilateral program that those areas of highest unemployment would receive the most assistance on the basis of the number of unemployed? Was that one of his main criteria, and is it still that way?

Hon. F. S. Miller: I am not going to either deny or confirm it, because I cannot remember having said that we were directing it towards areas of highest unemployment. We certainly hoped to see the areas of highest unemployment get the benefit. However, we were moving in a much shorter time frame than the federal program, where that kind of overview was supposed to go on. In fact, if the member will recall, the federal government has some kind of provincial co-ordinating committee of some seven people, I think, which is supposed to be saying, "We would like to see more spent in Windsor or more spent in Sudbury," therefore in effect channelling or initiating requests from those areas.

For all that one hears the reactions of municipalities each time to any federal or federal-provincial job creation program that in turn requires them to put up some money, I have to say that we almost inevitably find that the number of requests far exceeds the available money.

4:40 p.m.

What my colleague the Minister of Labour (Mr. Ramsay) did, since he is charged with running the COED program specifically, was to see that \$50 million of the \$200 million was sent out on an allocation basis to municipalities. I will try to find out for the member, I hope this afternoon, what his basis for allocation was.

The last time, when my colleague the Minister of Municipal Affairs and Housing (Mr. Bennett) did it, they used, as the member knows, the general welfare figures for municipalities to give them some measure of the relative need of municipalities. I suspect, without being sure, that was a criterion—the member is shaking his head "no." He could be right. I will find out.

Mr. Cooke: Mr. Chairman, I want to make a few brief comments. Before I get into what I had prepared, it is my understanding that the allocation to the municipalities was not based on the welfare rates. That is one of the specific requests my local municipality is making, that it be changed when the next allocation in the next fiscal year comes through in order that the needs of local communities based on their welfare rates are reflected in the amount of money allocated to the municipalities. The minister may be able to correct me, but it is the interpretation, at least of Windsor, that it was not allocated on the welfare rates.

Hon. F. S. Miller: Mr. Chairman, may I answer that? That was the first question, the one I was getting as he was talking. We were told the first \$50 million was based on the welfare rolls, the number of exhaustees and the unemployment levels. The arithmetic for that allocation was handled by the Ontario Manpower Commission, I believe, in conjunction with the other ministries involved. I cannot give the honourable member the arithmetic for it, but that is what we were told the basis was.

Mr. Cooke: I have a few brief comments on the jobs program itself and perhaps a few comments about the suggestions in the paper that were put out by the bishops which I think offer an alternative to the kind of economic recovery or Band-Aid solutions both the federal and provincial governments are taking now.

When that program was announced, I found it very interesting. I think it was on a Thursday that the press releases went out to the members of the Legislature, announcing the program. I got a call from a Windsor Star reporter asking whether there had been an allocation or whether I knew what the allocation was for Windsor. I said I had not been told. He said most of the Tory members in the Hamilton region had already been informed and they had announced to the Hamilton Spectator what Hamilton and some of the other municipalities were getting.

It would appear that on the Thursday the Tories were scrambling to make announce-

ments in their local communities because the following day, at least in my home-town community, Mr. MacGuigan, Mr. Gray and Mr. Whelan called a grand press conference, with all the labour and business leaders and all the municipal elected politicians, to announce the federal program and to try to take credit for that allocation.

It seemed as if in those last two days there was a great scrambling effort by both the provincial and federal governments to try to take credit for a program that can be described only as less than adequate in the face of more than 12 per cent unemployment in this province and country. The December unemployment rate was 12.1 per cent, 548,000 people.

There is no doubt that some job creation is better than no job creation. There is no doubt that the slowness of the program is a problem. I would suggest the Treasurer perhaps should table some kind of a document before the House rises from the short resumption of the session. Perhaps the Minister of Labour or whoever is taking the prime responsibility should do it to update us as to how many jobs have been created under this program.

We knew this would be a tough winter. It is unfortunate that programs like this were not put into place much earlier so the jobs were created in December or late November. Some of the people relying on welfare to get through the winter would have been working and would have been able to get back on the unemployment insurance rolls, which at least would have provided them with a bit more income.

When one looks at where the allocations are coming from and from where the federal government has reallocated some of its money, it is really questionable whether Ontario will benefit, not in terms of jobs but in terms of more money being put into our economy. Much of the money is coming out of Ontario and being reallocated for jobs all across the country, and the net increase in the dollar value being put back into Ontario's economy is probably going to be less than what is being taken out.

The 20 per cent contribution on the part of the municipalities for that \$50 million is a problem. I am not sure of the condition of all the municipalities, but my home town, because of the length of the recession and depression that has hit it, is going to have great difficulty coming up with that 20 per cent to create any jobs.

Of course, most of the projects are going to be short-term and will not do much in the way of long-term benefit or the creation of long-term

jobs. Certainly any kind of a stimulation of the economy may create consumer demand and some jobs, but there are questions as to whether all this money will be able to be taken up by municipalities because of the 20 per cent contribution requirement.

It really is an inadequate response in reaction to an unemployment crisis that is far greater than anyone would have projected a year or a year and a half ago. The last statistics showed that even officially one of our communities, Sudbury, has more than 30 per cent unemployment. Of course, the unemployment rate in the Niagara Peninsula is more than 20 per cent.

When one takes a look at the jobs that have been lost in certain sectors of the economy, one is convinced that this government has to develop an industrial strategy for sectors of this economy. We have lost 209,000 jobs since the May budget. In agriculture, we have lost 20,000 jobs. In manufacturing, we have lost 82,000 jobs. In transportation, we have lost 11,000 jobs. In the service sector, we have lost 19,000 jobs. The list goes on and on of the major sectors of the economy where thousands of jobs have been lost since the May budget.

The layoff statistics that were released by the Ministry of Labour in November also indicate the contrast between 1981, when we were getting into the recession, and how hard and difficult 1982 has been. The total reduced operations are up by 218.2 per cent from January to November, 1982 over 1981. Partial closures are up by 23.3 per cent and complete closures are up by 39.6 per cent. The total figure of layoffs—and, of course, this is only for layoffs of 50 or more employees—for January to November 1982 is up by 143.3 per cent, as compared to the corresponding period in 1981.

The statistics that shocked me the most were the bankruptcy statistics. From January to November, there were 3,337 business bankruptcies with \$615 million worth of liabilities associated with those companies, as compared to the total figure for 1981 of 2,900 business bankruptcies with \$341 million worth of liabilities. We are talking of nearly doubling the amount of money involved with those business bankruptcies; that is just in Ontario.

4:50 p.m.

I want to spend a few minutes talking about a statement that was very important and very useful in that it did create some discussion within our communities, within our province and within our nation about the economic situation that exists. I refer to the statement

released by the bishops. The bishops always release a statement at the beginning of the year. This is the first one that got considerable response throughout our country—some of it negative and some of it less than helpful, such as the response the Prime Minister gave; none the less, it has got a lot of people thinking about the direction that our province and our country is heading in and whether there is a better way to create wealth and create jobs and share wealth within our province.

I want to quote briefly from this statement and then make some of my own comments. The first page of the document says:

"Indeed, we recognize that serious economic challenges lie ahead for this country. If our society is going to face up to these challenges, people must meet and work together as a 'true community' with vision and courage. In developing strategies for economic recovery, we firmly believe that first priority must be given to the real victims of the current recession, namely, the unemployed, the welfare poor, the working poor, pensioners, native factory workers and some small business men and women.

"The option calls for economic policies which realize that the needs of the poor have priority over the wants of the rich; that the rights of workers are more important than the maximization of profits; that the participation of marginalized groups take precedence over the preservation of a system which excludes them.

"In response to the current economic problems, we suggest that priority be given to the following short-term strategies.

"First, unemployment rather than inflation should be recognized as the number one problem to be tackled in overcoming the present crisis. The fact that some 1.5 million people are jobless constitutes a serious moral, as well as economic, crisis in this country. While efforts should continually be made to curb wasteful spending, it is imperative that primary emphasis be placed on combating unemployment.

"Second, an industrial strategy should be developed to create permanent and meaningful jobs for people in local communities. To be effective, such a strategy should be designed at both national and regional levels. It should include emphasis on increased production, creation of new labour-intensive industries for basic needs and measures to ensure job security for workers.

"Third, a more balanced and equitable program should be developed for reducing and stemming the rate of inflation. This requires

shifting the burden from wage controls to upper-income earners and introducing controls on prices and new forms of taxes on investment income.

"Fourth, greater emphasis should be given to the goal of social responsibility in the current recession. This means that every effort must be made to curtail cutbacks in social services, maintain adequate health care and social security benefits and, above all, guarantee special assistance for the unemployed, welfare recipients, the working poor and one-industry towns suffering from plant shutdowns.

"Fifth, labour unions should be asked to play a more decisive and responsible role in developing strategies for economic recovery and employment. This requires the restoration of collective bargaining rights where they have been suspended." That, of course, refers to the wage control legislation that has been introduced in this province and at the federal level.

The bishops go on to talk about the structural problems that exist in our economy. They also talk about the long-term effects of automation, the consequences of the multinational corporate control of our economy and the transfer of capital and jobs by multinationals to low-wage countries. I want to quote again from the bishops' statement:

"By placing greater importance on the accumulation of profits and machines than on the people who work in a given economy, the value, meaning and dignity of human labour is violated. By creating conditions for permanent unemployment, an increasingly large segment of the population is threatened with a loss of human dignity. In effect, there is a tendency for people to be treated as an impersonal force having little or no significance beyond their economic purpose in the system."

The bishops go on to condemn the philosophy that seems to be reviving itself in our society, and that is the philosophy of survival of the fittest. We saw that philosophy come forward in last year's budget where the Treasurer consistently used the term "the losers versus the winners" and said this government is on the side of the winners.

I guess the same philosophy comes through very clearly, in the wage control legislation that came in and when the welfare rates are set by this province: this province believes very strongly in the survival-of-the-fittest theory, whether it be in the small business community or whether it be individuals. If they are doing well, they can take advantage of the tax system and of the

economy. If they are doing poorly, they cannot count on this government to assist them or to take any steps that provide for greater equity and fairness within our economy.

The bishops point to the fact that the government's strategy for recovery is based totally on the private sector. Therefore, the problem, in the view of this government, is that of inflation and how to control it. By controlling inflation through setting wages, this government has caused a transfer of wealth from the workers through to profits and to the companies, on the assumption that those profits then will be reinvested and create more profits. So we have the trickle-down theory that the unemployed and welfare recipients eventually will get jobs, all will be well and our economy will be operating again.

The bishops have put forward an alternative that I find very interesting and certainly very much in tune with the philosophy I and my party believe in very strongly. They have proposed a reordering of priorities. In the view of the bishops, treating unemployment as an inevitable consequence of high inflation is an unfair, immoral and unacceptable system. It means fighting inflation through unemployment and through high interest rates, which this government supported until it became politically unpopular to do so; it was the only time it changed its position on high interest rates.

We must have emphasis on a new industrial strategy. The industrial strategy suggested by the bishops is self-sufficiency of Canadian industries. I suggest that means a program of import replacement, a program of regional development similar to what I mentioned earlier and which they have talked about, strengthening our manufacturing sector, regional development and relevant job retraining.

Industrial strategies on a regional basis, the bishops say, should involve the communities, local organizations and labour unions. The strategy calls for a redistribution of wealth, an examination of the use of community ownership and control and new forms of worker management and ownership.

There are many concepts there that I am sure the Treasurer could not possibly support, based on his philosophical and ideological background and beliefs. But there are some very realistic suggestions, I believe, and there are some thought-provoking suggestions that should be debated by members of this Legislature and by people within our communities.

It is obvious that the present Band-Aid system

of short-term jobs is useful in the short term, but in the long-term there is no real change, no real attack on the structural difficulties that exist in our economy or on the lack of adequate sharing of the wealth in our province and within our country. We have to begin to recognize that the system is not working.

In the 1970s we had two or three recessions. The same people are being hurt time and time again, and the same communities are being hurt time and time again. A system that constantly operates on a roller coaster is not a system that is working for the benefit of the majority of the people in this country and this province. For that reason alone, examination of the alternatives that the bishops have put forward, which I think are very useful, deserves considerable thought and debate.

I want to go back again to some of the community problems that exist, because I think the real effects of the system that is not working are shown when one goes, as I did last Friday, to places like St. Thomas.

Maybe the Treasurer does not know that in St. Thomas, which is not a huge city, there are 30 empty stores on Talbot Street, the main street. Those are small businesses that at one point were thriving and have gone belly up because of the situation that exists in our communities and in our province.

5 p.m.

I do not pretend to be an expert on agriculture, but I spoke with the mayor of Aylmer, who told me that because of the devaluation of farms in the province, because of the state of the economy and because of prices, farmers are now in a position where they cannot borrow against their farms and as a result there are going to be farmers in the St. Thomas-Elgin area who will not be planting crops this year. They planted them last year, but they do not have access to enough capital and they cannot borrow in order to plant this year. So we have 30 small businesses and we have farmers in some of the richest agricultural areas in our province who are not able to get back into business this year.

In my home town, McInnis Equipment Ltd., an operation that has been in business in Windsor for 50 years, went into receivership, putting 175 people out of work just a couple of weeks ago. Windsor Packing Co. Ltd., another company that has been in business for a number of years, has gone belly up. Not only has it gone into receivership, it has now gone into bankruptcy. We see the cancellation of the 1,000 jobs

by Chrysler Corp. and perhaps their transfer to Trenton in the United States, again an example of a multinational company that one day is going to create jobs and the next day is going to transfer them. They play worker against worker.

Surely all of these, along with the thousands of other layoffs that are occurring all across our province, point to the need to examine a new system, a reordering of our priorities, a change in our philosophy that puts those people—the working people of this province, the ordinary people of our province, the unemployed and the welfare recipients of our province—as our number one priority.

It is time to throw out the trickle-down theory and to talk about a genuine redistribution of wealth in this province, the creation of wealth and the creation of jobs. The fairness of the society is what we should be looking at. Profits mean nothing if they are not shared and if they do not do the majority of the people in our society good. If our standard of living does not increase, if that wealth is not shared equitably and if the profits and wealth are accumulated in the hands of very few, then certainly amassing profits and having profitable corporations does not do much to benefit our society as a whole.

I think this is the point that the bishops were trying to get across, and for the Prime Minister of this country to throw them out of hand without giving them any thought and for him to say more or less that they do not have a right to contribute to the economic debate that is occurring in our country was very unfortunate on his part. I hope this afternoon we will be able to use this debate, along with others, to discuss their option, to take a look at this job creation program as a symptom of how sick our economy is and how ineffective the response of governments like the one we have in Ontario really is at a time of very deep recession and, in many communities, very deep depression.

Hon. F. S. Miller: Mr. Chairman, listening to the discussion makes me realize how different the approach of the New Democratic Party is from ours but how similar the goals are.

Mr. Laughren: Come on.

Hon. F. S. Miller: The goals are the same, contrary to what the members opposite may say. We have recognized, as they may not recognize, the community of interest between the corporation and the individual. They have some funny feeling that a corporation is an entity that does not have any human side to it at all; that the creation of profit somehow must be

made at the expense of somebody's loss; that the redistribution of wealth rather than concentration on the increase in available wealth is the only way to solve the social ills of a society.

I say there is not a constant pie out there. The pie that is to be divided up and that will be divided up by all governments that have a conscience today—and those are governments like our own—depends very much upon our ability to make the pie bigger rather than our ability to carve it away from somebody who appears to be doing better in society than his neighbour.

The member will be on that side of the fence for ever, that is fine. It is an honest difference of opinion. I have every bit as much right to have my opinion. My colleague the member for Lake Nipigon (Mr. Stokes) has chided me a bit in the past. He wonders how I can be a Conservative having understood some of the problems and having lived through them in our earlier days, as he did as well. It is a question of what we believe works best for the average working person, whom we do not really expect sits back and philosophizes about what works, but simply hopes for and works hard for a better place in this world. I happen to be on his side and I think the member is.

I wonder how often in this life we have to disprove the fact that the state as the decision maker can improve the lot of human beings. We have seen it at work in the socialist countries behind the Iron Curtain. I am not talking about communism now; do not let me use that bogymen. I am simply talking about the approach to the ownership of assets in a socialist country. We have seen the tremendous problems they have finding any quality products to export to earn hard dollars or any volume of exports to send out at all. We have seen the failure of their agricultural system whenever the individual's personal incentive is taken away.

For example, they tell me Poland uses 82 per cent of the gross value of its exports simply to service the interest on foreign debts. The member will tell me that has nothing to do with what he is talking about. It certainly does. It proves the system he has been espousing and sponsoring does not work. At least in my mind it does not work.

Mr. Stokes: That is baloney and you know it.

Hon. F. S. Miller: It is not.

Mr. Stokes: We are not advocating emulating something that is going on in the Iron Curtain countries.

Hon. F. S. Miller: I am talking about socialism, the ownership of assets. Where it works well is in a small company where one can participate with employees and distribute profits. It works in big companies too. I have been through Dofasco, where I believe they have always had some form of profit sharing for the employees and it works reasonably well in that company. On the other hand, in little companies such as the ones I have been involved in with my own family, we always go on the basis that the workers have to have a share in the profits through equity. The equity they put up may not be prorated with somebody else's, but they have to have a fair share of what is earned as well as their daily pay.

I was intrigued at the reaction of the bishops and the statements they made. It is true many of the things they said are basically the member's party's philosophy. The church itself did not have unified support or condemnation of the bishops' position. I think if one went into the church and asked a number of priests or even the cardinal, one would find there was not total support for that. However, they have a right to offer their point of view. I support that right.

Mr. Cassidy: The cardinal is the only bishop who spoke up that way.

Interjections.

Hon. F. S. Miller: All of a sudden, I am on their favourite point. I suspect we talk to blank walls both ways.

They can use grand words like "a national strategy" or "cut wasteful spending." Then if we are trying to close a facility in St. Thomas or Goderich, they will turn around and say: "That cannot be wasteful spending. You cannot do that." The trouble with grand words like "national strategy" and "wasteful spending" is that they are easy to support as words and difficult to turn into specifics. When one talks about these things, of course one will get support.

Would that there was a national strategy to solve all the problems. Would that when I had appendicitis, I could wish it away. The member is trying to wish away economic problems by putting out—

Mr. Cooke: Who is talking about wishing. Have confidence and all will be well.

Hon. F. S. Miller: I have a lot more confidence in the system as it used to be than in the system that has been diluted through a gradual erosion by socialistic ideals, as has the economy of this province. It is nowhere near as right wing as I believe it should be.

Mr. Cooke: The system is working well in Canada.

Hon. F. S. Miller: Those points of view are easy to get support for. In certain areas, I agree completely.

Mr. Cassidy: Like the takeover of Sun Oil; is that right?

Hon. F. S. Miller: I am delighted to see more involvement of unions and management. I hope the member is as anxious as I am to see a reduction in the confrontation between those groups. It worries me to go across to the United States—

Mr. Cassidy: That is why you brought in Bill 179; is that right?

5:10 p.m.

Hon. F. S. Miller: Is the member missing his classes today?

Mr. Cassidy: I am here to listen to you.

Hon. F. S. Miller: Just to listen to me he missed the classes? A full-time student in the House.

Mr. Cassidy: I came to listen to how you are reducing confrontation by Bill 179.

Hon. F. S. Miller: I read Stephen Lewis's comments about the last three years of the party. He did not say it was leadership. He just said the problems had been a bit difficult.

Mr. Cassidy: What about the economy of the province we are in? You have been the Treasurer for how long?

Hon. F. S. Miller: For four and a half years; but the member's turn is coming, just calm down.

I guess what I try to point out is that most companies, be they big or small, and we started on that, are owned by people. Sooner or later a share is owned by an individual.

I would argue with my friend that the best way to improve things is to encourage more people, more average people, to have the equity in those companies rather than talk about some fancy, airy-fairy way of redistributing the assets. That is what the member does not believe.

I am glad the members are all laughing. I feel much more reassured when the NDP benches get angry at me and laugh than if they listened and nodded their heads wisely and agreed with me. At least I know I must be on the right course when that is happening.

An hon. member: The union pension plans own a lot of companies these days.

Hon. F. S. Miller: Yes, they do. They have very vested interests in seeing that those—

Mr. Ruprecht: Get serious, don't humour us.

Hon. F. S. Miller: Of all the socialist countries that have found some degree of real GNP growth—I am thinking of those behind the Iron Curtain—probably Yugoslavia has done the best, because they at least turned the assets over to the workers.

Mr. Cassidy: Would you mind calling them communist countries?

Hon. F. S. Miller: I know it hurts the member to hear they are socialists too.

Mr. T. P. Reid: They call themselves social democrats, I understand.

Hon. F. S. Miller: Yes. It worries the member to have the stigma attached. I am not talking about a dictatorship, the way they rule the country; I am talking about the economic belief that the state should own the assets. That is what the member's party believes in, no matter how he cuts it.

Interjections.

The Deputy Chairman: Order. Gentlemen, the interruptions are becoming rude.

Mr. Breagh: Why don't you talk about this province? That would be good. Talk about Crown Trust.

The Deputy Chairman: Order. The Treasurer has the floor. When he has completed, the opportunity can go to the other honourable members.

Mr. Cassidy: Talk about Hydro, Polar Gas, your friends.

The Deputy Chairman: Order. There is every opportunity for all members to participate in this debate. The Treasurer has the floor, but with the interruptions now prevailing—

Mr. Cassidy: Mr. Chairman, on a point of order: The Treasurer is distorting the policies of his own party.

The Deputy Chairman: That is yet to be decided in this House. The chair is clearly wanting to give the Treasurer an opportunity to respond, then other members may also participate. I would ask all members to cease and desist in the interruptions.

Hon. F. S. Miller: I will try to be less provocative too.

The Deputy Chairman: Thank you.

Mr. Stokes: Stop hiding behind the Iron Curtain then.

Hon. F. S. Miller: I am not hiding behind the Iron Curtain. I am hiding behind a belief in the ownership of assets which the member's party espouses.

Mr. Cooke: Why don't you talk about free countries, the social democratic countries, West Germany and the Scandinavian countries?

Hon. F. S. Miller: I will talk about France. Let me talk about France. That is a free country, is it not? It is a social democratic country, is it not? Since Mitterrand got in power we have seen the franc drop from four to the dollar to seven to the dollar. We have seen unemployment go up. We have seen all kinds of problems. We have seen them step in and have to control wages. We have seen them step in and have to control benefits. That is a social democratic country and it is not behind the Iron Curtain.

Mr. Laughren: What about here?

Mr. Breagh: Good thing you didn't do that. You wouldn't do that, would you?

The Deputy Chairman: Order.

Mr. Laughren: Talk about here.

The Deputy Chairman: Order please.

Hon. F. S. Miller: The words Crown Trust came out in the middle of all that from the member for Oshawa. I am not going to get into Crown Trust.

One interesting aspect of the whole deal that precipitated it all was this: assuming that Arabs bought those properties—assuming they did, and I do not know that for a fact—I would only say to the member it is interesting they would choose this province as one of the safest havens in the world for their money. That is all I would say.

Mr. Breagh: Were they in for a surprise!

Hon. F. S. Miller: They trust it here better than they trust it anywhere else, no matter what it earned.

Mr. T. P. Reid: Do they still feel that way?

Hon. F. S. Miller: Municipal governments were referred to, and I think my colleague referred to Windsor and the problems of raising a local contribution. I understand that, but I also point out that is a traditional reaction and the last time around in May when we did it we heard that reaction. Yet we very quickly had requests to oversubscribe the \$171 million of total funding, \$35 million of which went to municipalities. I think the member will find that happens again.

One of the alternatives to spending it is that 20 per cent happens to be their share of general

welfare assistance which goes on. So for many of them it is a question of, "Let us find a project to help local people, whom we are already supporting with some money now, to do something of permanent use to the municipality." Surely that is not a bad objective, because it cuts down their spending on the one hand and allows them to accomplish some objectives with our money and their money on the other.

The member mentioned St. Thomas. I bet I have been on the main street of St. Thomas more times than he has. I used to go there quite often because my daughter went to school in St. Thomas for four years.

Mr. Cooke: It is my understanding that is when the stores started closing.

Hon. F. S. Miller: That is true. Her allowance was so low they did not have any—anyway, it reflects to a large degree the problems of main street Ontario where we are getting larger and larger concentrations of shopping centres. It is probably the longest main street I know of that is a single main street. Would the member agree with that?

Mr. Cooke: Those closings do not have anything to do with the recession.

Hon. F. S. Miller: I mean they are not paired off as in most towns, like Lindsay and so on, where there are two or three parallel ones.

It also reflects an area that brings up an interesting paradox, that is farm income. It is heavily dependent upon the farm industry. The member referred to farmers as saying the value of land was dropping. I would that farmers in this province were getting a proper return on investment and labour. I suppose there is no one group in society as heavily pressed by today's economic problems as the farmers have been. At the same time, the members opposite tell us food costs too much. I say farmers deserve and are entitled to a much better return.

The fact remains when my friend says farmers will not be planting crops this year; he knows that is a traditional reaction to the problems they face of low prices for soybeans, low prices for corn, low prices for almost everything but the controlled commodities. The laws of supply and demand have brought that about.

At the same time, the member wants lower prices of food for human beings, always alleging that somewhere in the middle there is a huge profit. Yet who did he say went broke in his city? A packer. Does that mean the packer was making too much money? I would only tell him that every time the distribution of food has been

looked into no one has found excessive profits in that whole chain of events. That is all I have to say.

The Deputy Chairman: Thank you. The member for Parkdale.

Mr. Cooke: Mr. Chairman, I think I get the floor now.

Hon. F. S. Miller: Yes, he does.

The Deputy Chairman: I am sorry I thought you had had—

Mr. Stokes: We are not in second reading.

The Deputy Chairman: I know. The member for Windsor-Riverside may continue. I will recognize the member for Parkdale next.

Mr. Cooke: Mr. Chairman, I will take only 30 seconds. I want to express a bit of disappointment that the Treasurer—I almost said Premier; I know he would like to hear that—responded to some very serious comments I quoted from the bishops' statement, together with some of my own comments, by somehow trying to relate that to dictatorship communist governments behind the Iron Curtain. I think that lowers the debate to a point where I really question how much of a philosophical discussion and industrial strategy discussion we can have with an individual who wants to lower the debate to that level.

Mr. Ruprecht: Mr. Chairman, before I tell the Treasurer the concerns I have as the member for Parkdale, I would like to indicate that I am not here to get into a big microeconomic and macroeconomic argument on how to restructure the whole economic and industrial policy of Ontario and Canada. For one thing, the Treasurer is not in the position to change anything; for another, even if he could, I do not think he would want to. In fact, I do not even know where he has disappeared to now. Do you know?

The Deputy Chairman: He indicated he would be right back. I am sure he is within hearing distance.

Mr. Ruprecht: The other point I would like to raise before the Treasurer comes back is the point that was just raised by my New Democratic colleagues. The Treasurer should know that this argument has absolutely nothing to do with Iron Curtain countries. The Treasurer should know that it has absolutely nothing to do with the whole question of taking away incentives.

Although he attacks the previous speaker from the New Democratic Party, he himself has a paucity of ideas in his own bag of economic

tricks that he can really address. That is why he is lowering the debate to the point where he brings in Poland and other countries behind the Iron Curtain. I for one object to the Treasurer setting up a straw man to attack because he, as well as his party, speak of very few solutions to economic crises.

When one looks at the supplementary estimates of the Ministry of Treasury and Economics, 1982-83, one thinks he ought to applaud the services he speaks of—transfer payments for short-term job creation programs and so on. But here is something the minister can do something about, that is the whole question of the tax he has levied on fast foods, chocolates, soft drinks, ice cream, personal hygiene items—the list goes on and on.

This is something that may almost go to the heart of the matter. Citizens even today are writing and bringing to me petitions that speak of the injustice of having this kind of tax imposed. The reason they are saying that—I have been in touch with—

The Deputy Chairman: Just so the honourable member can be on topic, we are dealing with the economic policy program, supplementary estimates—

Mr. Ruprecht: Yes, hear me out.

The Deputy Chairman: —industrial leadership and development fund. I am having trouble tying what you are saying now into that general subject, but I will hear you out.

Mr. Ruprecht: Mr. Chairman, I will tie this in for you so that even every member of the Conservative caucus can understand what I am talking about and how this link will be established—

The Deputy Chairman: The link.

Mr. Ruprecht: Here is the link. On one hand, the Treasurer says to us, "Here we are spending \$70 million on job creation programs—

Mr. Laughren: The chairman is having problems. Don't mumble. We are here to help you.

Mr. Ruprecht: My friend, your turn will come. I hope at that point you can be as clear and precise as we on this side are. Open your mouth so that we can see your teeth.

The Deputy Chairman: Would the members please stop these interruptions and allow the member for Parkdale to speak to vote 904, item 3.

Mr. Ruprecht: The minister speaks of \$70 million for the job creation program, and that is a substantial outlay of money. However,

superimposing a seven per cent added tax on some of the items I have just mentioned is not only inequitable but defeats the very purpose of his approach to creating employment in Ontario. I would call it a very short-sighted approach. On one hand he is taking millions of dollars away from some of the necessary programs and on the other he is taxing those people who are creating some of the jobs by purchasing the goods.

If one is used to paying 43 cents for a chocolate bar, as an example of an item a person might buy in a small variety store, he would think twice before buying it if he had to pay an additional three cents. As a parent, Mr. Chairman, you would understand that children would think twice about buying that chocolate bar.

You might think this small example is not relevant. I think it is very relevant because it is indicative of the philosophy of the Progressive Conservative government; that is, to tax not only those people who are productive, but to tax even by nickels and dimes the very children of this province who purchase these goods, however small they may be. I said to the Treasurer earlier that this is an indication of the policies he is following. It is indicative that there is an incongruity in the very economic policies he is espousing.

On the micro level we see how this hinders the purchasing— as I said earlier this is a small example—of a chocolate bar. If one multiplies that 100,000 times it does not create any more jobs at the chocolate factories. The Treasurer might think this is insignificant but when he talks to the president of Neilson's, for instance—which I have done—he will find that even the workers are very much concerned. Indeed it is the workers who in part are signing these petitions that are coming to my desk on a daily basis.

Here we do not have to talk about the communist system. We do not have to talk about really taking away incentives and redistributing the wealth. We talk about a very practical example. When is this Treasurer going to introduce new legislation or strike from the books the seven per cent tax which keeps some of our workers in the unemployment line? We would like to know from the Treasurer when he will do that. Will he do it this year? Will he do it next year? Or will he do it in election year? That is what we want to know.

Hon. F. S. Miller: Tune in to my budget.

Mr. Ruprecht: I will tune in to your budget, Mr. Treasurer.

A second point I am trying to make, Mr. Chairman, which even every member of the Progressive Conservative Party will understand, concerns this whole business of spending more than \$200 million on an oil company—for what they call a “window on an industry.” That kind of program, that kind of economic analysis, that kind of economic mistake, is why we have a lack of employment in Ontario.

On one hand we are transferring \$70 million for short-term job employment programs, which I think is laudable, but on the other we are taxing people. On the third hand, which only the Treasurer has, he is spending more than \$200 million—perhaps \$250 million—on an oil company that creates no jobs at all. What I would like to hear is how the Treasurer has spent this kind of money—not peanuts, not nickels and dimes, not \$70 million—to create how many jobs.

He might turn around and say to me, “Will the honourable member please pay attention, because I have already indicated how many jobs there were.” But we on this side have never fully understood how the job creation program, with a \$200 million outlay, has helped Ontario. I for one would like to hear the Treasurer respond to the question of how many jobs \$200 million has actually bought this province.

Mr. Chairman, even you will understand where the linkages lie. I have pointed out very clearly—okay, you wave your hands, you open up your arms, and you do not want to believe me, but the linkages are there. They go from nickels and dimes to an outlay of more than \$200 million.

So we are not talking about taking away tax incentives; we are not talking about the straw man policy this minister has just produced. What we are talking about is producing employment that is of a significant character. We are not talking about producing short-term employment. That is what this kind of a policy found on page two of the supplementary estimates indicates. This kind of a short-term job creation program really does very little to help workers in Ontario.

I would like to hear from this minister that the short-term job creation programs which he is instituting through this policy will indeed help us out. I would like to find out, for instance, what does he mean by short-term job creation program? Does he mean simply that we are looking at a six-month period and we are saying

that within this six months we will create, let us say, 50,000 jobs?

5.30 p.m.

If that is what this minister means by this short-term job creation, then we would like to know what happens after the next six months. I would like to know from the minister what he will do if the \$70 million runs out. It seems to be very little compared with the \$200 million outlay. What will he be planning in the six months that will follow the short-term job creation program? Does he expect the economy will turn around? Does he expect that after six months or a year he will be in a better financial situation?

What are his future plans for long-term job creation programs? He has not said a thing about these plans and we would like to know what they are. Where are they? Why do we not see that he has a monetary outlay of more than \$70 million? What does he plan to do with the economy of Ontario?

The Deputy Speaker: You have asked that question a few times now, so do you want to give the Treasurer time to respond?

Mr. Ruprecht: Mr. Chairman, the reason I am asking and repeating myself twice is because I want to ensure that I am being understood—

Hon. F. S. Miller: Point of order.

The Deputy Speaker: I recognize the Treasurer for a point of order.

Mr. Ruprecht: I did not finish my sentence.

Hon. F. S. Miller: When my estimates are here I have always agreed to far-ranging debate. This material is not on the supplementary estimates before me.

Mr. Ruprecht: Let me first point out why I have said this in a different way. He has questioned me earlier as to what is the linkage? What does seven per cent have to do with it? What has the \$200-million Suncor purchase have to do with economic development? That is the linkage. That is the biggest question we have to ask this Treasurer because he is spending our money.

The biggest question we have not asked him and one we simply have to ask him is one my constituents and I think all of Ontario are asking: what will he do with the economy of Ontario in the next six months? Is this minister not prepared to give us at least a statement of how he sees the future and what he has in store for the economy of this province? Do we not

deserve the right to have an answer to this question?

I see the minister is shaking his head.

Hon. F. S. Miller: On a point of order, Mr. Chairman—

Mr. Ruprecht: I would like to know from the Treasurer what his answer will be?

Hon. F. S. Miller: I am on a point of order. Sit down.

Mr. Chairman, I have been very patient with this gentleman but when I bring a budget out that is exactly what I do. He either does not know the rules of this House or does not follow them.

Mr. Ruprecht: Mr. Chairman, if I may please continue.

The minister has set up straw men left and right and gone far into the economic bushel because of the lack of economic planning and policy of his government. You have allowed him to use Poland as an example, or any other country behind the Iron Curtain. I for one would like to find out what this minister has in mind for the economy of Ontario.

He thinks he can get up on a point of order and say to me: "You have no right to ask that question on the supplementary estimates," where \$70 million is being spent in short-term job creation programs. He talks about the Soviet Union and Poland. Here we are asking him about making a statement about the economy of Ontario and he denies it to the members of this House. What is this? Are we playing charades in this House or are we talking about real job creation for the people of Ontario? We are not playing games; we want to know some answers from this minister.

He might think I am getting upset. Sure I am getting upset when I see him with a straw man. I am asking him to come up with answers. We want to know now.

Hon. Mr. Norton: Where is the linkage with the straw man?

Mr. Ruprecht: Don't distract me. You know every time you people do that what the linkage with the straw man is.

Interjection.

The Deputy Chairman: Order.

Mr. Ruprecht: Every time you ask me about this I know well that you people have no answers to the very grave problems in the economic policy of this province.

Interjections.

The Deputy Chairman: Order.

Mr. Ruprecht: Mr. Chairman, I will quit simply by asking the minister this.

Mr. Cooke: Don't just quit: resign.

The Deputy Chairman: Order, please. The member for Parkdale is in the process of wrapping up his presentation, to which we can then receive an answer.

Mr. Ruprecht: Mr. Chairman, I am not the finance critic and consequently I do not want to take up too much time.

Hon. Mr. Norton: That wasn't hard to figure out.

Mr. Ruprecht: I am not here to provide all the answers to the government's economic woes. We are not here to do that. We are here simply to ask the Treasurer some questions, which he refuses even to answer to this House. That is the basic idea and that is my basic point. We want the answers to three questions, that is all, and I am going to sit down after that.

The first question, very specifically so the Treasurer is not in a position to set up another pudding straw man, is when will he withdraw the seven per cent added tax. The people want to know.

The second question is how many jobs has the government created for the consumers and workers of Ontario by purchasing shares in Suncor in the amount of more than \$200 million?

Interjections.

Mr. Ruprecht: Question mark; that's right.

Mr. Laughren: It's a number of zeros.

Mr. Ruprecht: The third question is very obvious; I have asked it earlier. I am asking the Treasurer on behalf of my constituents what his policy is for this province for the next six months after he has finished with the short-term job creation program, which will take him about six to eight months? What is his policy after that date?

Hon. F. S. Miller: Mr. Chairman, I have watched the official critic slump lower and lower in his chair as this went on.

Mr. T. P. Reid: It was in anticipation of your coming remarks.

Hon. F. S. Miller: Yes. Of my coming?

Mr. Chairman, the answers, even though they have nothing to do with the vote and item, are, first, future budgets will tell whether the tax will be withdrawn.

Second, the Minister of Energy (Mr. Welch) many times has repeated how many jobs were created by the \$650 million. I hate to tell the honourable member the figure, because we

were rather intrigued that he could have sat in this House for the past year and a half and still not know what the value of the Suncor figure was. But that is his privilege, and it shows why advertising has to be repeated often. You have to go to the lowest common denominator before it finally sinks in.

Last of all, I will be talking about the future of the province when I bring out a budget.

Mr. Laughren: Mr. Chairman, that is an extremely difficult act to follow.

Mr. T. P. Reid: Then don't do it.

Mr. Laughren: I have some sympathy with the member for Parkdale (Mr. Ruprecht), because he did not get really good answers to any of the three very pertinent questions he put to the Treasurer.

There are some things that bother me every time the Treasurer gives us his little philosophical discourse on his ideology and how good it is compared with others. It is hard to accept this when one represents communities such as I do and sees what has happened in the Sudbury basin in the last couple of years.

Of course, the minister would say that is the system. It works. That is what makes the system good. Sometimes you have to throw 30 per cent of the people on the unemployment rolls to make the system work. That, in the view of the Treasurer, is fine-tuning his precious economic system. We happen to believe there are better ways of doing it.

5:40 p.m.

The member for Parkdale is absolutely correct. The Treasurer can bring in all the straw men he wants, set them up in front of him and then knock them down. Does he really think that proves anything? It proves absolutely nothing.

I heard the throwaway line, at the end of one of his comments, that his government was not as right wing as he would like it to be. Perhaps he has jumped on the bandwagon of Reaganomics—

Hon. F. S. Miller: I said the province was not.

Mr. Laughren: That is exactly what the Treasurer said.

Perhaps this time he has jumped on the bandwagon at the wrong time. Perhaps he has not noticed what is happening south of the border as a result of Reaganomics. Perhaps he has not noticed what his policies and those of his friends in Ottawa are doing to this country.

Does the Treasurer really believe the agony we are going through these days is absolutely necessary? Does he really believe this is the kind of fine-tuning that is necessary to make his

system work? Perhaps it is, but there is an increasing number of people who do not believe we have to go through that, because that is precisely what we were told back in the 1930s.

When my leader the member for York South (Mr. Rae) said in a half-joking way—at least I think he was half-joking—that the Premier (Mr. Davis) was looking and sounding increasingly like Herbert Hoover from day to day, he had a point because of the kind of policies that are coming out. It is almost like being on a spiral, with the government doing everything it can to speed up the process of winding things down rather than cranking them up. We went through all this 50 years ago and now we have to go through it again. That is really an outrageous way to run the store.

Some day I would like to see the Treasurer add up for us the costs of unemployment insurance and welfare and, on top of that, the costs of all the short-term make-work projects because, in terms of benefits to our society and to our economy, one must add in the costs of those short-term benefits, which will not be of long-run benefit to the communities in which they occur; but that is never done.

I could take the Treasurer to Sudbury and show him the shooting-range targets that have been repainted in the name of a make-work project. Is that what he considers an economic policy? It really is outrageous.

What does the government do? Instead of helping a community that has unemployment at between 30 per cent and 40 per cent, the Minister of Labour (Mr. Ramsay) cuts back on a commitment for an economic relocation program. He cuts back on what had already been promised.

The Minister of Northern Affairs (Mr. Bernier) has been described by someone as a person who stumbles across northern Ontario like a wounded moose in a snowstorm. That man, who is supposed to be looking after the rights of northern Ontario and trying to improve the quality of life in the north, put on hold a project to build a bypass in the Sudbury basin. It was not until people in the community realized what was happening and put the heat on him that it appeared he came to his senses and was going to approve the project—at least it looks as though he is going to do that; and he had better do so, because there was a very firm commitment made on that project.

The government not only does not do what it should do with work projects in the area, but also it does the wrong kind of project and cuts

back on ones that are of long-term benefit. One of the few projects that had long-term benefit was the building of the highway bypass, and that is the one he chose to put on hold. That is absolutely ridiculous.

The government, despite now having a member of the government party representing the riding of Sudbury, so far has not made long-term commitments to the revitalization of that community's economy; just a couple of things were put in place long before the present problem hit us.

It has now been more than a year since Inco announced its first layoffs, and we are looking around to see what is happening. We are having difficulty finding anything but these make-work projects for clearing out a creek or painting signs on targets at a gun club.

That is not good enough. What we from that area are saying now is that we are tired of these spurts of growth as Inco and Falconbridge hire workers only to lay them off later. What we are asking for, and demanding, is economic development, not just economic growth. We have had economic growth in that community before, but we have not had economic development; and there is an enormous difference between those two concepts.

My colleague the member for Sudbury East (Mr. Martel) and I prepared a document last October called *A Challenge to Sudbury*. It was a document on which we spent some time. We made eight proposals to revitalize the Sudbury community. We sent copies to federal and provincial government ministers. The responses we got back only can be described as pathetic and, in some cases, as downright arrogant. They showed a blissful casualness about the problems in the area. It was outrageous.

It is not just this government. The federal member from that area had the nerve to write back and say, "I received your document and I look forward to reading it." That was his response. He did not even respond to what was in it but said he looked forward to reading it.

I do not take this government off the hook either. The Treasurer and other ministers gave us the back of the hand on the document. Yet we deliberately made proposals that could be accepted by any government regardless of its political stripe. We were careful, because we did not want it to be rejected out of hand for that.

One day when I asked him a question, the Treasurer said, "That was a very thoughtful

document;" but there was not one decent response to anything that was in it.

I am sure the Chairman has not seen the document. Let me tell some of the things we proposed. They were not the kind of proposals that should have made this government shy away. We said two things had to happen in Sudbury: one, we had to squeeze more out of the resources that were there; and two, we had to develop new opportunities so we were not so dependent on the existing resource base. That seems to me to be a logical process: balanced economic development for the Sudbury basin.

We wanted to establish a nickel institute. We wanted to have more refining done there and to put an end to all those absolutely crazy, ridiculous exemptions to processing that have allowed Inco to ship all its ore to Norway for refining for 50 years instead of refining it in the Sudbury basin.

We wanted to build mining machinery in the Sudbury area. There is a radical thought: build mining machinery in the heart of the mining industry. But the government decided it would not do that either; it would open up a resources machinery development centre, which was already on the boards anyway. It was not a new program at all; it had been announced two or three times previously. That centre is not going to build one piece of mining machinery. We will go on, presumably forever, importing mining machinery. We are the number one importer of mining machinery in the world, a country that is number three in the world in the production of minerals.

Is the Treasurer telling me that makes sense? Is he telling me that is his precious economic system working the way it should work? He and I know that is not the way his system is supposed to work, but he will not intervene to make it happen. Not only will he not intervene, but also he will not even provide the economic leadership to help it happen. He sits there benignly while the community suffers, and he does not take the measures that would turn things around.

We believe there should be pollution abatement in the Sudbury area. There would have been a beautiful opportunity to do that in the past year. We gave solutions as to how to do it. There was a federal-provincial task force that said how to do it. Nobody was hard-lining on whether the government could provide some up-front money in terms of loan guarantees, loans or equity participation. The Treasurer is big on equity participation unless it comes to

something meaningful; then he is not in favour of it.

We wanted to build a fertilizer plant. There are reports now that there will be a sulphur shortage within 10 years. Sulphur mixed with phosphate will produce fertilizer which we currently import. There are phosphate deposits near Chapleau and Kapuskasing, but that would be providing economic leadership which this government is not prepared to provide.

Those were the things we said should be done using the existing resources. There are also new opportunities. We said: "Why not have a massive energy conservation program for the Sudbury basin? Use it as a model community to show how to conserve energy in the residential sector." It would have been an excellent opportunity. It is a northern Ontario community—a depressed community now—and we provided specific examples of how it could be tied in with Ontario Hydro.

5:50 p.m.

Second, we said, "Why not make Sudbury a food processing and production centre for north-eastern Ontario? There is enormous agricultural food production potential in the Sudbury area, including processing." There was no response at all.

These are not radical proposals, but they do require some economic leadership and the government is not providing it.

The third suggestion was for a health care import replacement program. The federal government and, I believe, all 10 provinces have agreed on a program to replace health care imports into this country. We see no reason why Sudbury could not be the centre for the establishment of a manufacturing capacity in health care products. Many of the imported products are surgical instruments that use stainless steel and precious metals, and it would be a nice way of kicking off some high-technology development in the Sudbury basin. But for some reason, presumably in the Treasurer's mind, and the Treasurer does not even feel the need to explain it, that is just not worth doing.

Another example is an institutional import program. Governments at all levels in this province consume an enormous amount of goods, whether we are talking about staples, furniture or other manufactured goods. There is enormous potential there.

In this Legislature last spring, the member for Prescott-Russell (Mr. Boudria) brought in a box full of goods that this government buys; they are

produced here, but this government imports goods it could be buying here.

Those are some of the proposals we made, and we believed they were worthy of serious consideration by this government. I would like the government to tell us why those proposals are not acceptable.

I suppose I could anticipate one of the answers. I do not want to take away the opportunity of the Treasurer to respond, but one of them might be, "We have task forces in the Sudbury area working now." That is true. There are eight or nine task forces under the leadership of the regional chairman. But those task forces now, a year after the problem started, are just starting to get their act together to report back to the regional council. They have not yet reported back to regional council.

They are going to have to go through that process and then report to this government, presumably, and the federal government. In the meantime, this government, and the Treasurer in particular, has used those task forces as an excuse for doing nothing. The people in Sudbury are becoming aware of that fact.

During this past year the government has used what the people in Sudbury have tried to do in good conscience—they have tried to pull themselves together to make some recommendations—and this Treasurer and his colleagues have sat back, laughed at the people in Sudbury and said: "While they are doing that, we do not have to do anything."

It seemed to us, my colleague the member for Sudbury East and I, that putting these proposals in front of the government provided an opportunity for them to take some action, and to take some action now. Why wait? Some of them are self-evident. There may be some others they may want to consider as well. We are not saying they have to accept every one of our proposals, but they have not even seriously considered any of them. We find that, and I used the words earlier, pathetic and arrogant. It is a pathetic response, but it is also an arrogant response. They just sit there and ignore them, because local people in Sudbury are out working on task forces and the government says as long as that is going on it does not have to do anything. That is an abrogation of the government's responsibilities, no matter how they measure their responsibility.

A final point: Virtually every one of the alternatives we have suggested here comes from government reports, federal and provincial, but mostly provincial. The government's own peo-

ple have recommended these proposals for the Sudbury basin. It is not as though we have pulled these ideas out of the air, with our heads in the clouds and so forth. These were proposals made by people who have much more knowledge on these issues than I do.

But the government chose to ignore its own people as well, because it seems to be incapable of providing economic leadership in times of difficulty. That seems to be a problem for the government. It seems to be particularly difficult for this Treasurer, because he has such a blind faith in the market system. He believes it is better to let things go down the tube than to intervene. He really believes that, and we are seeing the results of that inaction.

On a final note, the Treasurer talked about personal incentive. If the Treasurer wants to see how to destroy personal incentive, I want him to drop into the unemployment insurance centre in Sudbury some day. He can come to my constituency office, if he likes, or go to one of the union halls in Sudbury and see how his policies destroy personal incentive. Personal incentive is not destroyed by the fact that the government might own a company in the name of the crown but by the debilitating policies we see now. The bishops were trying to tell him that too, but he chose not to see what they were trying to point out to him.

The Deputy Chairman: I want to thank the honourable member. Does any other member wish to participate?

Mr. Laughren: Mr. Chairman, if the Treasurer is yet again not going to respond to all the proposals in our document A Challenge to Sudbury, then perhaps I could put a couple of questions to him. Specifically, I would like to know from the Treasurer—this comes from a policy paper called Towards a Nickel Policy for the Province of Ontario; I believe the Treasurer was the Minister of Natural Resources in 1977, I could be out a year or so but I believe he was.

That report recommended a nickel institute for the province. Probably one of the most knowledgeable people in all Canada on minerals, Dr. Tom Mohide, was the main author of that report. I am sure the Treasurer knows him. The people making recommendations seem to have a grasp of the mineral industry that goes way beyond mine and the Treasurer's; yet the Treasurer chooses to ignore them because the recommendations do not fit in with his nongame plan, he does not have a game plan.

All they were saying in that document was

that there should be an independent geological survey of minerals. We do not have that. The government has this incredible faith that everybody out there is telling them all they need to know about mineral reserves in the province. The Treasurer has no way of knowing whether that information is accurate. The Treasurer does not know the potential life of any ore body in the province; therefore, how does he know how much money in the form of government services and so forth should be put into any given mining community? He does not know.

We had an example not too long ago just north of Sudbury, near Capreol, where government money—our money—went into sewer and water works, roads, schools and other municipal services, and then the major employer, National Steel, walked away. That is poor planning. The Treasurer chooses not to worry about the inventory of mineral resources we have in the province. He simply does not know.

The report also suggested that the nickel institute, working with the private sector, should look into potential new uses of minerals in the province for manufactured goods. The Treasurer chose to ignore that as well. If there is one symbol of how the government has mismanaged resources in the province, it is the whole matter of the refining exemptions under what is now section 104 of the Mining Act. The government has said, "We must refine in Ontario, except we will give exemptions." Is it not remarkable that the exemptions that are given out seem to go on forever? There never seems to be an end to the exemptions that companies such as Falconbridge get.

The Treasurer can argue, I suppose, that the company is in difficulty and, therefore, it would be hard to impose such-and-such a thing on them; but these policies were there when those companies were enjoying their salad days, when they had all sorts of money that they took and spent elsewhere. Even in those days the government decided it was not appropriate to impose any kind of regulations on them that would require them to refine their nickel here.

In view of the hour and the fact the Treasurer obviously, once again, is going to respond in a pathetic and arrogant way, I move the committee rise and report.

The Deputy Chairman: No. Before we—

Hon. F. S. Miller: Mr. Chairman, on a point of order: The member for Nickel Belt assumes my answer means I am not interested in the points he raises. He has raised them in each estimate

debate I have ever had, whether I was Minister of Natural Resources or the Treasurer. They are not part of tonight's debate. The discussions he was just having are directed towards the Minister of Natural Resources. I have a specific item tonight. I am quite willing to debate that specific item. I simply say on my point of order that I feel

that should be enforced.

The Deputy Chairman: Is there any further debate on this? Are we ready for the question?

Mr. Stokes: I want to make a few comments.

The Deputy Chairman: All right.

The House recessed at 6 p.m

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